



SAN FRANCISCO HISTORY ROOM

SAN FRANCISCO
PUBLIC LIBRARY

368.05

C631

V01 V2

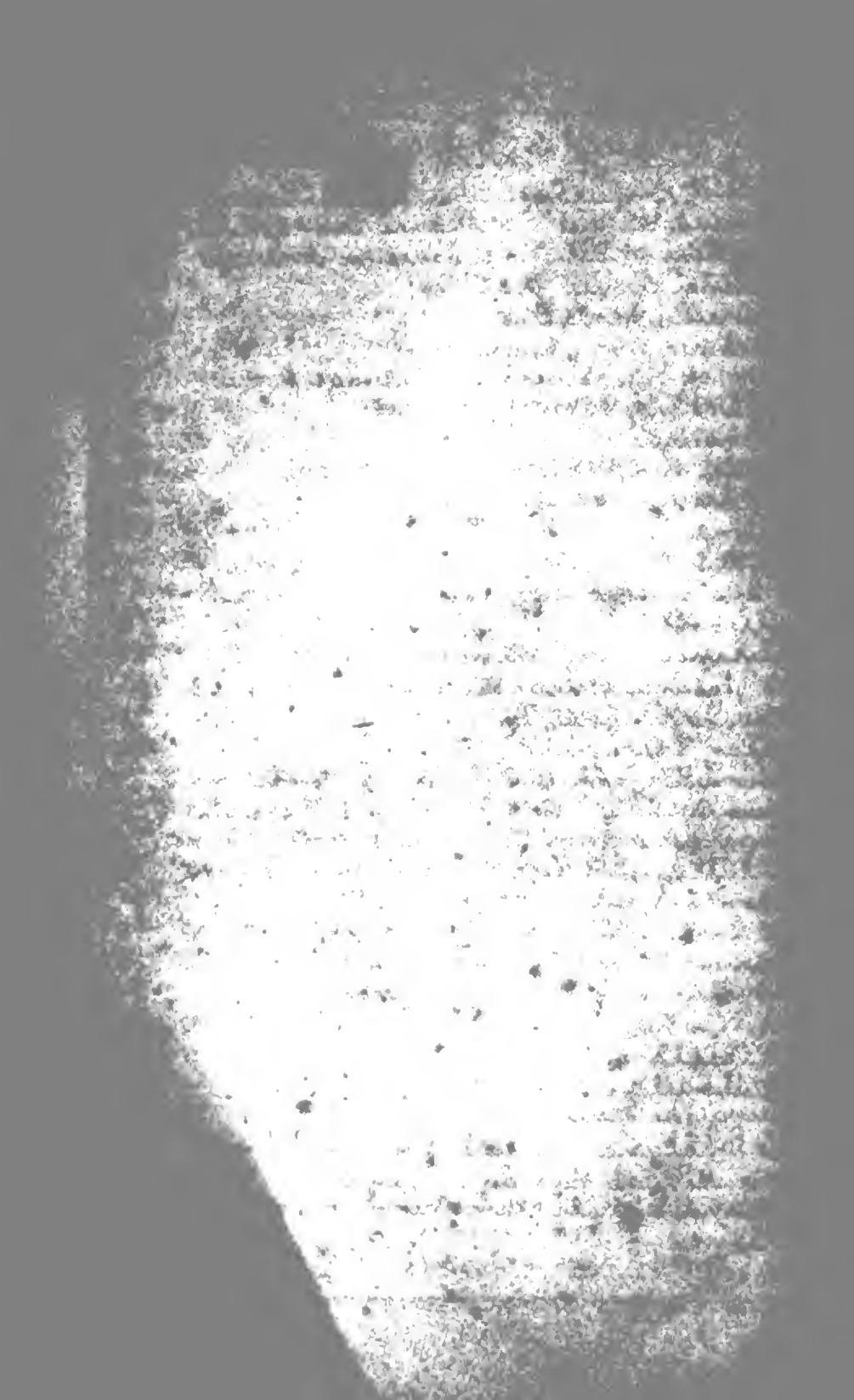
REFERENCE BOOK

Not to be taken from the Library









Index to Volume 12.	Page
Claims of Insurance upon Legislatures.....	5
Lloyds and the last Insurance Scandal.....	9
Thirty Years of Life Insurance in America.....	11
Dwelling-House Riots.....	13
Shipwreck Statistics.....	13
Boss's American Theatre Fire.....	14
Report of the Liverpool Salvage Corps.....	15
The Starding Paper Mill Fire.....	15
Fire Insurance in London.....	16
Kansas Her Insurance Laws, etc.....	16
Fire Insurance in Kansas.....	17
The Bond Street Fire.....	18
Report of Committee on Local Agents to the Fire Underwriters Association. Secretary's Report.....	19
Insurance from the Home View.....	22
New Zealand Insurance Co.....	25
Aetna Insurance Co.....	25
Tabular Statement.....	26
Denver Letter from Our Traveling Correspondent.....	28
Virginia City Letter from Our Regular Correspondent.....	30
Columbus Letter from Our Regular Correspondent.....	32
The Sacramento Fire Commissioners Report.....	33
Important Arbitration Case.....	34
New York Life Insurance Company.....	36
Superintendent Urquhart.....	36
Commissioner Board's Report.....	37
W. A. Walker.....	38
H. H. Blake.....	38
R. H. Magill.....	39
Arranged Fraud.....	42
New England Mutual Life Insurance Co.....	43
Union Mutual Life Insurance Co.....	44
Oakland Transcript and Our Insurance Laws.....	44
A Record.....	45
Chips.....	46

	Page
Banking in California. By Geo. R. Gibson.	73
The Policy of Co-operative Life Insurance.	78
Underwriters Fire Patrols Assessment.	80
The Bulletin on Life Insurance.	81
State Supervision of Insurance a Failure.	82
Salaries paid to Officers of Life Companies.	84
Communicated.	86
Insurance Brokers.	87
The Right of a State to Exclude an Insurance Company Without Cause.	87
The Critics Criticized—The Reviewers Reviewed.	88
Incendiarism.	92
Geo. F. Grant to Mrs. Charlotte L. Eddy.	93
Mortgages may Effect Additional Insurance Without Permission.	93
Items from Annual Statements.	94
Home Insurance Co. of New York.	96
Southern Hotel Fire.	96
The Liverpool and London and Globe.	97
Does the Wife's Insurable Interest in a Policy on the Husband's Life Continue after Divorce?	98
Equitable Life Assurance Society.	98
April Dividends.	99
Respectfully Dedicated to the S. F. Board of Underwriters.	99
Columbus Letter.	100
Virginia City Letter.	101
Manufactured, Unmanufactured & in Process.	102
Oakland Fire Department and its Chief.	103
Annual Meeting of the National Board.	104
The Continental Insurance Co. of N. Y.	104
The Imperial and Queen.	104
Chips.	105
General Average.	135
The National Board—Report of Committee on Incendiarism and Arson.	136
New York State Superintendent's Report.	139

	Page
The Romance of Life Assurance - Its Trials, Tribulations and Tragedies	147
The Life Insurance Question. Surrender Values.	144
The Referee's Report on the Continental Life Ins. Co.	146
Alleged Demoralization in Fire Rates	147
Resolutions Adopted by the Board of Fire Underwriters of San Francisco May 16 th 1877	148
Resolutions of the National Board of Fire Underwriters	149
Confusion of Interests in Policy assigned to Mortgagees	150
W. A. Walker's Libel Suit Against the Coast Review	150
Cheap John Insurance Brokers	151
National Board of Fire Underwriters	152
N. J. Stoddard's Insurance Agency	154
The Berlin-Coloane and the California Commission	154
Answer to River's Queries	155
Board of Fire Underwriters of San Francisco	157
Manufactured, Unmanufactured and in Process. - Answer to in Process	158
Pacific Insurance Agency	161
Oakland's Facilities for Preventing Fires	162
Chips	162
Legal Breivities	169
Fire Insurance in New York	195
Specialties in Fire Insurance	197
Destruction of Property by Fire	199
New York Insurance Law	200
Items from Life Insurance Statements	202
New York Life Insurance Report	203
Union Mutual Life Insurance Co.	204
The Romance of Life Assurance - Its Trials, Tribulations and Tragedies	205
The Republic Life Ins. Co.	207
The Monitor and in Process	208
Scalping as a Fine Art	209
National Life of U. S. A.	210
Santa Rosa Fire Department, etc.	211

	Page
Imperial, Northern and Queen	211
Obituary	212
The Oakland Arson Case	212
Mr. Jones, Insurance Manager for Falkner Bull Bldg.	213
Insurance Agency of Hutchinson & Co.	213
W. E. Burr, Insurance Broker and Presi- dent of the Clay St. Bank	214
Scottish Commercial Ins. Co.	214
Memorable Fires in June 1877	215
Commercial Union Ins. Co.	216
Failure of the Sacramento Water Works	216
The London Assurance Corporation, and The Western Assurance Co.	217
Correspondence	217
Hamburg, Bremen and Swiss Lloyd	219
Oakland Letter	219
Chips	220
Virginia City	251
Salvation Losses	252
The Weakness of Anonymous Statements	253
The Romance of Life Insurance - Its Trials Tribulations, and Tragedies	254
Reports of the S. F. Savings Banks	256
The Predatory Presidents of Certain Savings Banks	257
S. F. Correspondence	258
The Universal Life Insurance Co.	261
The Charter Oak Life Insurance Co.	262
Attempt to Burn the City of Oakland	263
The Monitor and the Home Ins. Co. of New York	263
The Committee of Safety	264
That Oakland School House Business, and The Connecticut President	265
The Riots	266
The Guardian Assurance Co.	267
The Connecticut Fire Ins. Co. and its Genl. Agt.	267
Henry Baber & Co's Ins. Agency	268

	Page
Jarnsworth & Clark's Insurance Agency	269
The Fire Department of Portland, O.	270
Over Insurance	270
The Royal Canadian Insurance Co.	271
A Satisfactory Return	271-273
Patterson Insurance Co.	274
July Fires	274
Chips	278
Extensive Fire in San Francisco	285
The Reorganization of Fire Business in America	306
President Weston's Opinion on the Chinese Question	308
The Romance of Life Assurance. — Its Trials	
Tribulations, and Tragedies	310
Reports of the Interior Savings Banks	312
Receiverships	313
Rather Serious Businesses	314
The Fire Marshal's Report for the Year Ending June 30th 1897	315
Department Reports	317
The South British Fire & Marine Insurance Co.	318
Fair Play for Insurer	318
North America Life	319
Districting Cities for Fire Risks	319
Columbus Letter	320
St. Louis Mutual Life Ins. Co.	321
Loss by Riot, Insurrection, Civil Commotion &c	322
The Oakland Fire Department—Unfair Criticism	323
The Tremont St. Fire	324
Rule for Valuation of Life Policies in Insolvent Companies	324
San Francisco Correspondence	325
Death of a Veteran and Pioneer	326
How Things Burn Up	326
Terrible Fire in New York	327
Allowances for Appliances for Extinction of Fires	327
Indictment of J. G. Edwards for Libel	328

	Page
Fire Proof Cities	378
Olympia (W.T.) Fire Department	379
August Fires on the Pacific Coast	379
Chips	33v
Unauthorized Insurance Companies, their Rights and Liabilities in the States which Exclude them	361
Manager Magill's Correspondent in Germany	362
Reserve Deposit System	363
The Man who Didn't Understand It	365
Romance of Life Insurance. It's Trials, Tribulations, and Tragedies	366
The Warfare between Home and Foreign Insurance Companies	368
The Fire Department of San Francisco	369
Department Reports	370
The Fire in Washington. D. C.	371
Fire Underwriters' Association of the Northwest	371
Fire Alarm and Police Telegraph Superin- tendent's Report for 1876-7	373
Andrew D. Smith's Agency	375
Convictions for Arson	375
Fire Insurance Specialties	376
Memorable Fires in the United States	376
The Situation	378
Memorandum showing the Average Per- centage of Losses, Expenses + Profits of 21 Leading American Fire Insurance Cos.	379
Insurance Stock	380
Decrease and Increase of Surplus of 167 Fire and Marine Companies from January 1 st 1877 to July 1 st 1877	381
Editorial Correspondence	382
The New York Safety Fund Law	383
San Francisco Correspondence	384
The Danger from Mortgage Insurance	384
The Glen Falls Insurance Co.	385

	Page
Errors and Omissions Excepted	370
The Fire Association of the Pacific to their Brethren of the Northwest. Meeting	386
Fire Underwriters Association of the North- west. Second Days Proceedings	386
Arizona Insurance Law	387
The Old Yellow Bank and the Coast Review	388
Facts and Figures	389
Chips	390
The Superintendent's Convention	417
The Providence Fire	419
The Underwriters Association of the Northwest	420
Shall we make a similar Condition of Things in San Francisco?	422
Co-operative Life Assurance Associations	424
"Proposition of the Charter Oak Life to its Policy-holders"	426
"Proposition of the Universal Life to its Policy-holders"	427
The Propositions of the Charter Oak and Universal. (Editorial)	430
The Influence of Agents in Preventing Fire Losses	431
American Doubts	431
Fire and Fire Underwriters	432
The North German Insurance Co.	432
Savings Banks and Life Assurance	433
Savings Bank Over and his Crooked Commissions	434
Form of a Hartford Policy Issued in 1798	435
Insurance Contracts - Eames Hooley vs. Home Insurance Co.	436
Anti-Chinese Incendiarism	437
The National Board of Fire Underwriters	438
Our Life Insurance Law	438
A Virginia Fire Suit - Question of Liability	439
The New York Life Ins. Co. Favorable Report	440

	Page
New York and Other Insurance Stocks	441
Saw Mill Lyrics	442
Fire Record	442
Chips	444
Examination of the N.Y. Life Ins. Co. - Report of the Insurance Department of New York	473
A Common Sense view of the Situation in Life Ins.	475
A Communication from Gen. Franklin to Association of the North West	478
Recommended Change in Writing Policies to Commission Merchants	479
The Way They Do It France	483
The Mortgage Insurance Question	484
The Field Letter & Co's Fire at Chicago	485
The Burning of the North Point Dock Warehouse in N.Y.	487
The Commercial Union	488
What the Receivers are doing - The Condition of the 13 Broken Life Ins. Cos. in New York	488
The Ongoing Bulletin on the Life Ins. Law	490
The Life Insurance Law - Surrender Value Clause	491
A chance for a Little Legislation	492
Conviction of Robert L. Case, President of the Security Life Insurance Co.	493
Davis Greaches Pockets	494
Reckless Underwriting	494
Hatchcock vs. Wallace - Action for Slander	495
La Caisse Generale	496
Kinsley & Wright	496
Correspondence	497
The General Result of the Life Insurance Law	498
The New York Life Insurance Co.	499
A Little Bit of Blowing on Our Own Account	500
Jarnsworth & Clark vs. Denning, Palmer & Co.	500
Marine News of the Month	501
Fires	502
Chips	504
City and County License Law	499

COAST REVIEW.

A MONTHLY JOURNAL, DEVOTED TO FIRE, MARINE AND LIFE
INSURANCE.

J. G. EDWARDS, Editor and Proprietor,

320 California St., San Francisco, Cal.

VOL. 12.

APRIL, 1877.

NO. 1.

The Claims of Insurance upon Legislators.

*An Interesting Address by Mr. Sherman, a
Member of the Rhode Island Legislature,
on the 30th day of January.*

The following speech was delivered in the House of Representatives of Rhode Island, on the 30th of January last, the subject before the House being a resolution appointing a committee to investigate the subject of insurance. It seems that some of the members, who were in favor of the resolution, but who were evidently ignorant of the subject, made use of unwarrantable and wholly unjustifiable language. Mr. Sherman sealed the lips of the enemies of insurance, and defeated the bill, with the following pointed and forcible statement of facts, which are worthy of reproduction :

MR. SPEAKER—When this subject was introduced a few days since by the joint Senate resolution, a discussion ensued in which, in my opinion, a matter of vital import to the public was rather roughly handled. The terms gambling, swindling, and grossest fraud were freely applied, and a policy of insurance was characterized as a specious document which, by covert conditions, completely nullified its pretended protection.

In my judgment, Mr. Speaker, no class of corporations authorized by law is so generally misunderstood as insurance com-

panies, and the representatives of no legitimate business are so persistently suspected or unjustly defamed as the agents of such companies. That such criticism and censure should proceed from certain elements of society is perhaps no more than might be expected. But that members of this House, who are presumed to represent the intelligence of the State, and who are expected to exert here an influence tending to promote the interest of the general community ; that from such we should hear utterances of unqualified stricture or accusation against either insurance companies or their agents, is to me a cause of surprise and regret, and I feel that it would be unjust to the high position which insurance at present holds in the commercial interests of society to allow such imputations to pass unnoticed.

I do not claim that insurance companies are simply charitable institutions, or that insurance agents are, in their work, solely actuated by philanthropic motives. Perfection is not an attribute of humanity. Our search for a perfect man, whether in the present age of the world or in the annals of the past, would be as fruitless as that of the eccentric Diogenes, in the streets of Athens two thousand years ago. No profession or department of business is exempt from inefficient and dishonest participants. The medical profession has its charlatans, the bar its pettifoggers, the pulpit its hypocrites, banks their defaulters and the counsils of State and nation their betrayers of

sacred trust. It would be very strange indeed, if in the army of men to-day employed in the prosecution of the insurance business of our country, there should not be found some unworthy representatives. But I assert, Mr. Speaker, without fear of convincing contradiction, that insurance men, in point of intelligence, ability and honesty, will compare favorably with any other class engaged in a business of like magnitude, and that insurance companies, both life and fire, which have been legally qualified to do business in this State, are not excelled by any institutions in regard to present and prospective solvency.

Insurance, as a science, I regard as one of the noblest inventions of human genius. Its beneficent results are unsurpassed, if even they are equalled, by any other business or profession. The protection afforded by insurance deprives even the elements of their former disastrous power, and paralyzes the arm which once inflicted irreparable misfortune. I do not propose to consume much of the time of the House in a discussion of this subject, but I desire to submit a few facts and figures in proof of the correctness of my conclusions.

Insurance as a business is comparatively a modern institution. A brief reference to its history may not be unfitting in this connection. The first attempts at marine insurance was made by Venetian merchants in the early days of the Roman empire, upon imperfect theories, in strange contrast with the developed system of modern times.

The origin of fire insurance dates from a much more recent period. The first organization in the world for indemnity against loss by fire being the "Hand in Hand Insurance Company," of London, incorporated in 1696. And as a happy omen to the business and a triumph of the principles on which the same is founded, this original company still enjoys a prosperous existence. Fire insurance in this country dates from the organization of the "Philadelphia Contributionship Company," in 1752. This company also, like its foreign predecessor, "still lives." Not until the beginning of the second quarter of the present century

did protection of property by insuring become popular in this country.

Later still was the event of life insurance. The first general life company in the United States was "The Mutual Life, of New York," organized in 1843, a company which to-day stands forth in bold relief, with its \$82,000,000 of solid assets, as the representative life insurance company of the world.

From these crude and imperfect inception the science of probabilities has been firmly established, and insurance universally recognized as an essential element in the commercial world.

A few figures collated from reports to different State departments, and from other sources, may perhaps aid in arriving at a correct estimate of this subject :

Up to January 1, 1875, there had been chartered in this country 3,358 different insurance companies. About one-half of these were never organized under their charters. Of the remainder, nearly one-half died in infancy. Others at different times, from a variety of causes, withdrew from the business, and 68 fire companies in 1871, and 32 in 1872, were made bankrupt by their overwhelming losses in the great Chicago and Boston fires, leaving extant, Jan. 1, 1875, 76 life, 3 accident, 20 exclusively marine, and 824 fire or fire and marine insurance companies. Of the fire companies, more than three-quarters are of only local importance, being mainly mutuals, and scarcely known outside the town or county in which they are located; less than two hundred of the present American insurance companies have attained any national reputation. In addition to these, twenty-seven fire insurance companies of foreign countries are doing business in the United States. What are, and what have been, the results of the existence of these companies, and the labors of the upward of twenty-five thousand men who are directly engaged in prosecuting the business of insurance? Have they been such as to merit the confidence and gratitude or the distrust and censure of the public? Let figures answer. What says the record of life insurance? To January 1, 1876, the American life insurance companies reporting

to the New York department had received premiums to the amount of \$900,920,208.01. The same companies had disbursed to policy-holders, for claims of all kinds, to same date, \$505,691,624.64, an amount, Mr. Speaker, more than double the entire capital invested in all the cotton and woolen manufactories of the country; an amount greater, by \$104,000,000, than the total deposits in all the savings banks in New England; an amount greater by \$235,000,000 than the entire value of all the real and personal property of this State; an amount averaging about \$60 to each of the eight and one-half million families in this country; an amount equal to \$875 to each man or firm engaged in business in the United States. During the single year, 1875, these companies actually paid to their policy-holders \$65,489,810.01, an average of about \$5,500,000 per month, or \$220,000 for each business day of that year. Notwithstanding this apparently exhaustive drain upon the resources of life insurance companies, their assets are steadily increasing at the rate of \$28,000,000 annually, or about \$90,000,000 daily; and to whom are these amounts being paid? Who are receiving the benefit of these almost countless millions? Mainly the widows and the orphans of those who, realizing the fact "foreseeing contingencies, and providing for them is true economy," with prudent and affectionate forethought made provision for these dependent ones in their hour of sorest need. Mr. Speaker, that man who, rising above the selfishness of human nature, remembering that not for himself alone does he exist, foreseeing the time when

"No more for him the blazing hearth shall burn,"

but when desolation deep and dark shall fall like a shroud upon his household, protects his family from the bitterness of poverty, and the degradation of charity by a policy of life insurance—such a man obeys one of the noblest impulses which God has implanted in the human soul.

One objection to life insurance is that some of the companies have failed. Yes; up to Jan. 1, 1876, four of the smaller American life companies have failed. Is this the only

business to which the term failure may be applied? Individuals have failed. Over 9,000 business men or firms in this country failed in 1876, and 31,914 have failed during the last five years, with liabilities of \$896,000,000. Savings banks have failed. Some of the largest manufacturing corporations of our own State have failed. Because of these failures are we to regard all business men as impostors, all savings banks as swindling institutions, and all manufacturing corporations as financial bubbles? Why not apply the same standard of judgment to life insurance companies as to every other branch of business?

Another and a popular objection to life insurance has been its expensive management. On every side have we heard the cry "Princely salaries to officers and exorbitant and ruinous commissions to agents." What are the facts on this point? Figures, Mr. Speaker, are much more reliable data upon which to base a judgment than are the clamorous assertions of popular prejudice. Take for illustration "the Mutual Life of New York," a company which to-day controls more than one-sixth of the entire life business and life assets of the entire country. I select this company because its figures are more easy of access, and also from the fact that it more than any other company has been the object of persistent and calumnious attack. This company, from its organization in 1843 to January 1, 1876, received in cash premiums and interest, \$184,953,256.78. During this period it returned to its policy-holders for claims, dividends and surrenders, \$92,691,903.11, or 62 2-10 per cent. of its entire premium receipts, and though this company has obtained its business and made its collections almost exclusively through agents, the commissions paid during this period have amounted to only 4 9-10 per cent. of the total receipts, and all other expenses, of every name and nature whatever, to 4 2-10 per cent. Nor is this to be regarded as an exceptional case. Investigation discloses the fact that the interest alone on premiums received by life insurance companies has paid all the commissions, all the expenses, and left a balance of over \$3,-

000,000 to be carried to the credit side of assets. To give a brief exhibit of the progress of this business, it may be stated that there were in force Jan. 1, 1865, in American life companies doing business in New York, 209,392 policies, insuring to the amount of \$530,882,253.46, and the assets of these companies were then \$64,232,123.24. Jan. 1, 1876, there were in force in companies reporting to the same department, 774,625 policies, insuring about \$2,000,000-000, and the companies possessed assets amounting to \$403,142,981.58. A comparison of the business at these two dates shows in favor of the latter by

370 per cent. as to number of policies in force;

331 per cent. as to amount insured, and

627 per cent. as to amount of assets.

As to the security furnished by these companies, it is only necessary to remark that by the calculations of one of the most strict State departments, they possess a surplus of more than \$60,000,000 over and above the amount legally required to render them absolutely solvent.

That the citizens of this State are not indifferent to the benefits of life insurance is proven from the fact that during the year 1875 losses were paid here amounting to \$357,543.25. During the same year 857 new policies were issued, leaving in force, Jan. 1, 1876, 6,448 policies, insuring to the amount of \$20,000,000. I am a little encouraged, Mr. Speaker, by the statistical knowledge that I am not alone in this house in my estimate of the value of life insurance, for the records exhibit the fact, that in ten of the thirty-three life insurance companies doing business in this State, the present members of the general assembly to-day hold policies to the amount of \$372,000.

Fire insurance, also, Mr. Speaker, to no slight extent receives the censorious judgment of the public. While all admit the duty of seeking the protection which it affords, very many with apparent sincerity claim that its dealings with its patrons are decidedly unjust. That this is true in regard to some few companies with which insurers may place their risks cannot be denied.

But the fire insurance company, duly authorized by law to transact business, that exacts of the insured any more than equity demands, is the exception, not the rule. I will notice but one or two of the objections most frequently advanced against fire insurance companies. It is contended, and doubtless believed by many, that while companies are willing and anxious to receive premiums, they resort to every possible expedient, in case of loss, to avoid the payment of the same. Let us consult the figures for information on this point. The American fire companies reporting to the New York department (which include a very large majority of the stock companies of the country), actually paid during the year 1875, for losses in the United States, \$26,557,359.-08. On the 31st of December of the same year, the total amount of claims for losses resisted and disputed by these companies, including all interest, cost and expense on on same, was \$543,289.22. Assuming (and I think it a fair estimate) that one-half of this amount was on account of losses occurring prior to 1875, and we find that of the entire claims for losses during that year, but 1 1-1000 per cent. of the amount was, at the end of the year, resisted or disputed by the companies. Considering the suspected fraud attached to this sort of claims, I regard this a sufficient refutation of the charge that fire insurance companies evade the payment of their losses.

It has been suggested here that if any legislation is necessary, it is for the further protection of policy-holders. Mr. Speaker, the fact seems generally to be ignored that an insurance policy is a contract, and that like all other contracts two parties are interested, the insurer as well as the insured. The one has rights to be protected as sacred as those of the other. Instances may and doubtless do occur, where the insured suffer great injustice at the hands of fire insurance companies. But where one case of this kind is found, one hundred cases may be discovered of fraudulent attempts of policy-holders to impose upon those who have insured them. It has been estimated that of all the fires, which occur fully forty per cent. are incendi-

iary, and that of such fires no small number owe their origin to the selfish greed and criminal torch of the assured. It is a fact much to be regretted that there are in the community some men who, to obtain a personal benefit, hesitate not to defraud a fire insurance company. Men, or rather fiends, for they deserve not to be called men, whom insurers seek to shun as they would the venomous vampire. As safely might a policy be written on a powder-mill in purgatory, exposed to the raging fires of Hades, as upon the property of some of these characters which expensive experience has placed on the black list of insurance companies. Policy-makers, as well as policy-holders, need protection from the State.

Another and a very general complaint at present is that fire insurance companies are exorbitant in their demand for rates, that combinations exist, that "rings have been formed" to extort from an already overburdened public excessive amounts to swell the dividends of stockholders. Let the figures be once more consulted. Statistics exhibit the fact that the entire fire insurance business of the country during sixteen years, prior to 1874, paid out \$3,000,000 more than it received, and the experience of thirty-eight of the leading American stock fire insurance companies shows that during the thirteen years ending January 1, 1874, their total receipts were \$271,293,368.59, and their expenditures during the same period—exclusive of dividends to stockholders—amounted to \$283,908,653.73, a net loss of \$12,615,285.14, proving conclusively that an advance in premium rates was an absolute necessity.

A single statement more, with a suggestion, and I will leave this subject.

The destruction of property by fire in this country is assuming alarming proportions, and every dollar in value thus destroyed affects not only insurance companies, but is an absolute loss to the State and nation of just so much of its real wealth. The value of property annihilated by fire in this country in 1875 reached the enormous amount of \$78,000,000. In no other civilized nation can a parallel to this exhaustive drain upon the resources of our people be found. Could the

attention of the community and the ingenuity of State and national legislators be earnestly directed to the discovery of some means to reduce this enormous waste, could they devise a plan which would lead to the swift detection and summary punishment of incendiaries, which would insure a more thorough construction of our buildings, and a greater carefulness on the part of the occupants of the same, and thus stay the depredations of this destroyer, they would deserve and receive the gratitude of the present and future generations; for I regard it a serious question for the political economist to determine how long this wholesale annual destruction of property can continue without serious national consequences.

"Lloyds" and the Last Insurance Scandal.

[From *The London Review*.]

Both sides of Threadneedle Street have been subject to those troubles which we are assured attend the best-regulated families. The Stock Exchange has had its little scandal, probably in its results far more important than the cause justified, and the same may be said of the little difficulty on the other side of the street, at the Royal Exchange.

As most of our readers are aware, in the latter building (the haven of assurance) abides that great aggregation of loosely-knit atoms called, after the name of an obscure coffee-house proprietor, "Lloyd's." This body of underwriters of marine insurances has recently obtained an act of incorporation, and is also in possession of some funds, chiefly derived from the lucky find of specie lost nearly a century ago in the *Lutine* frigate, for which no claimants can be found. Backed, therefore, with material and legislative resources, this corporation finds itself a power, and it is but natural that they should desire to test the value of its new possession. Forgetting the "rock from which they were hewn," and despising the useful but somewhat irregular speculations which have now developed into an organized profession, the committee of Lloyd's,

a year or two ago, conceived the idea of putting a stop to one branch of marine insurance, namely, that which was not based upon actual interest, which they branded by the ugly designation of gambling.

Of course, we can do nothing less than join them in condemnation of such reprehensible conduct, akin to the betting on horse races or on the price of stocks and shares, to say nothing of the buying and selling of such vulgar produce as grain, currants or sugar for the turn of the market. The committee felt that the line must be drawn somewhere, and sympathized with the betting man whose partner, instead of sticking to his legitimate business (the turf), dared to enter Capel Court or the Royal Exchange. The indignation of the gentleman who prefers Tattersall's to the city has been well portrayed by our facetious contemporary, *Punch*. The line must be drawn somewhere, so (say these gentlemen) let us draw it at the sacred portals of marine indemnity.

But the worst of all such arrangements is that the disturbing factor, man, is very human—so that speculate he will, laws and regulations notwithstanding, and this being the case, it is only a sign of common prudence in the speculator that his operations should take the form of business with which he is acquainted, so that those who know something of ships and navigation, of the value of an undefined report, or the probable result of atmospheric disturbance, should find in them a source for exercising their abilities; and a recent illustration of such transactions has caused quite a flutter in the respectable body that fairly claims to regulate the course of marine insurance.

It happened in this wise: On the arrival of a mail steamer from the Cape Colony, a few months ago, some of her passengers reported that during the voyage they saw a vessel apparently ashore, but were unable to identify her; on the other hand, the captain and officers contended that the vessel in question, being perfectly upright and showing no signals, was standing in, and was not ashore; they therefore did not consider it necessary to communicate with her, and

passed on. This incident did not appear to have caused much anxiety, until the next homeward steamer was apparently overdue; we say apparently overdue, for the delay of the report of her arrival at Madeira was caused solely by a fracture of the telegraph cable connecting that island with Lisbon.

In this case of suspense many reinsurances were effected at gradually increased rates upon two steamers which it was thought might be in the neighborhood of the position indicated in the first report. Some of these were bona-fide reinsurances and some pure speculations. The latter being honor-policies are of course illegal, but to show the intention of the parties, a clause was inserted declaring that the presentation of the policy should be equivalent to proving interest. The mystery was soon cleared up when the above-mentioned steamers arrived in this country, and reported that the vessel first seen was undoubtedly ashore and was subsequently totally lost. We can fully understand that the writer did not like it, for it is unpleasant to have to pay a loss before even the premium is due, so they referred the matter of their liability to the committee.

One would have thought that that august body would, under such circumstances, have followed the only wise and dignified course of referring the parties to such contracts to their legal rights, especially as several members of their own body were implicated, and were therefore individually doing that which they as a body had condemned; failing this course, they might (of course unofficially) have suggested as these were not what they considered legitimate transactions, and were in fact so many bets, that application should be made to some sporting authority—say *Bell's Life*—for adjudication by the laws of honor; but what the committee, or rather a section of them, did do was first to submit a number of brokers to an utterly ungenerous and illegal course of private examination, with a view to induce them to forget their duty to their employers, and then marked their displeasure by giving notice that they should decline to accept the annual subscription of two of their number, cer-

tainly not the most guilty if there were any guilt.

A very pretty scandal followed; nevertheless, a feeling of fair play so influenced the general body of the members that they have induced the governing body to practically reverse their verdict by the re-electing of the brokers who only a few days before they had ruled as worthy of expulsion. So, after all, no great harm has been done; but does not this episode show that it is not the Stock Exchange only that requires to have its by-laws brought into consonance with the law of the land?

Thirty Years of Life Insurance in America.

The New York *Underwriter* of recent date contains a very able and interesting article on the results of the last thirty years' experience in life insurance business in America; and in view of the considerable distrust among policy-holders and the public generally, caused by the downfall of a few misnamed institutions, this article is timely, and of great benefit in allaying the "scare" about the business of life insurance. The fact that the policy-holders have received over 40 per cent. of the total receipts of all companies, and that the living companies hold, in trust and for the policy-holders, 36.43 per cent. of the receipts, leaving a little over 16 per cent. for all expenses of management, are, we think, satisfactory answers to questions as to where the policy-holders' money goes, and to the charge that "not one dollar in ten" is returned to the policy-holders. Without further comment, we clip the following extracts from the *Underwriter's* article:

Life insurance in America really dates from the organization of the Mutual Life, in 1842, and hence is 34 years old; but in 1849 the aggregate premium receipts of companies reporting to State officers of this State was less than a million of dollars, and we may therefore, with sufficient accuracy, drop a few early years, and say the former in a practical sense is 30 years old. A review of so vast an interest would be timely,

after so long a term of trial, under any circumstances; it is especially so in the existing circumstances, the business having been for four years suffering under a decline, and at present being brought sharply into question in nearly all practical aspects by the recent failures. Taking the first year for which there are any data procurable, although these are very imperfect at that early date, and contrasting it with the last year reported, we have:

	Premiums.	Interest, etc.
1849	\$ 942,941	\$ 73,653
1875.....	83,788,510	24,856,573

	Dividends and Claims. Surrenders.	Expenses.
1849.....\$	287,738 none.	\$ 25,000
1875.....	27,174,630 398,315,176	14,128,592

No twenty lines of letter-press description could as sharply and eloquently set forth and put in contrast the present and the early condition or show the marvelous growth of the business as these simple figures do. The great impulse, as everybody conversant with the business remembers, began to be felt in the gloomy war-year 1864, the premiums of that year nearly doubling upon those of 1863, and similarly increasing in 1865. The payments on death claims and matured policies alone, in 1875, excluding every other form of return to policy-holders, actually exceeded the aggregate receipts of all the companies from all sources combined, during the entire twenty-six years next preceding the war. Surely the force of comparison in respect to growth could no further go. It will be of interest to take a view of the business by summary, and the following is presented for that purpose, covering the 28 years ending with 1876, the last year of course being estimated:

Premium receipts.....	\$954,077,307
Interest, etc.....	199,313,584

Total receipts.....	\$1,153,390,891
Paid claims and endowments (20.75 per cent.).....	239,326,566
Paid dividends to policy-holders (14.81 per cent.).....	171,040,900
Paid lapsed and purchased policies (11.43 per cent.).....	132,393,614

Total to policy-holders (47.04 per cent.).....	\$542,761,080
Paid to stock-holders (0.53 per cent.)...	6,099,314

nual sacrifice of life on the sea is necessarily very large. For the year ending June, 1875, 930 lives were lost, and the year before, 506; and these numbers represent about the average destruction of life among those who venture upon the deep. Since 1830 the Gloucester fishing fleet of Massachusetts has lost 1,882 men. The age of the vessels lost during the year that ended June 1, 1876, is stated as follows: 921 were from 7 to 14 years old; 1,262 of from 15 to 20 years; 567 of from 30 to 50 years; 74 of from 50 to 60 years; 31 of from 60 to 70 years; 18 of from 70 to 80 years; 3 of from 90 to 100 years, and 3 above 100 years old.

That American vessels are so built and so manned as to withstand the warring elements favorably when compared with those of other nationalities, is seen from a table in which it appears that the number of British wrecks in 1872 was 1,228; French, 228; Germany, 212; American, 199; Norwegian, 190; Dutch, 37; Italian, 77; Swedish, 70; and Danish, 52. The large loss sustained by Great Britain is due in part to the greater amount of her shipping and the larger number of old hulks in her service. The National Life-Boat Association of that country has saved during its existence, 22,563 lives.

Fox's American Theater Fire, in Philadelphia.

The following is a list of the insurances upon Fox's American Theater, burned at Philadelphia, on the 25th of February:

Amazon, Cinn.....	\$2,500
Anthracite, Phila.....	1,250
Boston Underwriters.....	10,000
Bangor, Me.....	2,500
British American.....	2,500
Buffalo, N. Y.....	1,500
Ben Franklin, Pittsburgh.....	1,500
Connecticut, Hartford.....	2,500
Citizens', Newark.....	2,000
Franklin, Boston.....	2,500
First National, Worcester.....	1,500
Franklin, Wheeling.....	1,500
Farmers', York, Pa.....	1,250
Germantown, Phila.....	1,250
Globe, Boston.....	2,500
German, Phila.....	1,250
Humboldt, Newark.....	1,250

Iron City, Pa.....	1,500
Lycoming, Pa.....	1,250
Lancaster, Pa.....	2,000
Manufacturers', Boston.....	2,500
Merchants' & Mechanics', Richmond.....	2,500
Manufacturers', Newark.....	1,250
Millville, N. J.....	2,000
Manayunk, Pa.....	1,500
People's, Newark.....	1,250
Paterson, N. J.....	1,250
Royal.....	7,500
Royal Canadian.....	2,500
St. Paul, Minn.....	1,250
Spring Garden, Phila.....	2,500
Sun, Phila.....	1,250
Toledo, Ohio.....	1,250
Union Mutual, Phila.....	2,500
United Firemen's, Phila.....	2,500
Western, Toronto.....	2,500
Total.....	\$80,000

Of this amount, \$48,000 was on the building; \$25,000 on the properties, scenery, etc.; and \$6,400 on the fixtures.

The insurances on the books of the Mercantile Library, on which a total loss is claimed, are as follows:

Anthracite, Phila.....	\$5,000
Bangor, Me.....	5,000
British American, Toronto.....	5,000
Citizens', Newark.....	2,500
Delaware Mutual, Phila.....	10,000
Franklin, Phila.....	5,000
Franklin, Boston.....	2,500
Faneuil Hall, Boston.....	2,500
Germantown, Phila.....	5,000
Germania, Elizabeth, N. J.....	2,500
Humboldt, Newark.....	2,500
Jefferson, N. Y.....	5,000
Lancaster, Pa.....	5,000
Mutual, Germantown.....	5,000
People's, Trenton.....	2,500
Western, Toronto.....	5,000
Total.....	\$70,000

On the library building the insurances were as follows:

American, Phila.....	\$10,000
Fire Association.....	10,000
Fire Ins. Co. of County of Phila.....	5,000
Franklin, Phila.....	5,000
Ins. Co. of North America.....	10,000
Ins. Co. of State of Pennsylvania.....	10,000
Reliance, Phila.....	10,000
Spring Garden, Phila.....	10,000
Union Mutual, Phila.....	5,000
Total.....	\$75,000

—Hartford, Connecticut, is about organizing a Fire Patrol, the Legislature having passed an act incorporating the organization.

Report of the Liverpool (England) Salvage Corps for the Year 1876.

The report of the Liverpool (England) Salvage Corps for 1876 shows that the total number of fires is about 10 per cent. in excess of the number in 1875, but the fires causing serious damage were fewer. In 1875, out of 367 fires, 34 were of considerable extent; whereas, in 1876, out of 405 fires, only 21 were of exceptional magnitude. The causes of the 405 fires are given as follows:

Boiler, overheat of.....	3
Boiling solution.....	2
Boiling varnish.....	1
Burning effigy.....	1
Burning rubbish.....	2
Candle.....	48
Chimney, spark from.....	8
Coke, overheat of.....	1
Doubtful.....	9
Engine, hot ashes from.....	1
Explosion.....	1
Fire, children playing with.....	10
Fire, heat from.....	2
Fire left burning.....	1
Fire, spark from.....	21
Fireplace, defect in.....	1
Flue, blocked up.....	6
Flue, defect in.....	43
Flue, overheat of.....	6
Friction.....	2
Furnace, overheat of.....	1
Gas.....	19
Gas, escape of.....	7
Gas, explosion of.....	2
Gas stove.....	1
Gas generated from coal.....	1
Hearth, defect in.....	8
Hearth, overheat of.....	1
Hot ashes.....	13
Hot rivets.....	1
Incendiary.....	5
Kiln, overheat of.....	3
Lamp, oil.....	2
Lamp, paraffin.....	7
Lamp, spark from.....	1
Light thrown down area.....	1
Lighted paper.....	3
Lime slacking.....	1
Matches.....	18
Matches, children playing with.....	9
Matches, rats gnawing.....	1
Mill-fire, spark from.....	2
Oven, overheat from.....	1
Pan, explosion in.....	1
Pan boiling over.....	1
Pipe, stove.....	1
Pitch-pot boiling over.....	1

Smoking.....	24
Spirits, drawing off.....	1
Spontaneous ignition.....	11
Still, overheat of.....	2
Stove, overheat of.....	1
Tapers, wax.....	1
Unknown.....	83
Watchman's fire.....	1

405

The number of incendiary fires reported seems relatively small to the American underwriter; but, aside from this, the enemies of the insurer seem to be about the same there as here. Flues are defective, and will overheat; gas fixtures will get out of place; smokers are careless; rats and children are not to be trusted with matches; and spontaneous ignition flares up with and without apparent provocation.—*Chronicle, N. Y.*

The Harding Paper-Mill Fire.

The loss on the Harding paper mill, at Franklin, Ohio, destroyed by fire on the 1st of March, is estimated at \$200,000, which is partly covered by insurance to the amount of \$125,000, distributed as follows, says the *Chronicle of New York*:

American, Cincinnati.....	\$2,000
Amazon, Cincinnati.....	2,000
Aurora, Cincinnati.....	2,000
American, Pittsburg.....	2,500
Atlantic, New York.....	2,000
British America, Canada.....	2,000
Bangor, Maine.....	3,500
Buffalo.....	1,500
Boston Underwriters'.....	5,000
Cooper, of Dayton.....	2,500
Citizens', New Jersey.....	1,500
City of Pittsburg.....	1,000
Dayton, of Dayton.....	2,500
Enterprise, Cincinnati.....	2,500
Fire Association, Philadelphia.....	2,500
Franklin, Wheeling.....	2,500
Farmers' and Drivers'.....	1,250
Franklin, Columbus.....	3,000
Farmers', of York, Pennsylvania.....	2,500
Fidelity, Ohio.....	3,000
German, Wheeling.....	2,500
Globe, Boston.....	1,000
Humboldt, New Jersey.....	1,250
Home, of Texas.....	5,000
Imperial, England.....	2,500
Jefferson, Ohio.....	2,500
Lamar, New York.....	2,000
Lycoming, Pennsylvania.....	2,500
Lumberman's, St. Louis.....	2,500
Lancaster, Pennsylvania.....	2,500

Merchants' and Manufacturers', Cincinnati.....	2,000
Mercantile, Cleveland	2,500
Millville, New Jersey.....	2,000
Miami Valley, Dayton, O.....	2,500
Merchants' and Mechanic's, Richmond, Va.....	1,000
Northern, England.....	2,500
National, Cincinnati.....	2,000
Newark City, New Jersey.....	1,250
New York Central.....	2,000
Ohio, of Dayton.....	2,500
People's, Memphis.....	2,500
Philadelphia.....	2,500
Phoenix, St. Louis.....	1,500
People's, New Jersey.....	2,500
Paterson, New Jersey.....	1,500
Rochester German.....	2,500
Richmond Fire Association, Virginia.....	1,500
Reading, Pennsylvania.....	1,250
Roger Williams, Rhode Island.....	1,000
Royal Canadian, Canada.....	2,500
St. Louis.....	2,500
St. Paul.....	2,500
Standard, New Jersey.....	1,500
Toledo, Ohio.....	1,500
Teutonia, of Dayton.....	2,500
Trade, New Jersey.....	2,500
Western Assurance, Canada.....	2,500
Washington, Cincinnati.....	2,500

Fire Insurance in London.

The returns of fire insurance companies doing business in London for 1875 shows the following amounts written in that city by each company, the aggregate footing up £503,572,307, or \$2,517,861,535; but then, it must be remembered that London is a good-sized country town, and a company can, with safety, carry "large lines, well scattered;" at least, that is what they think. Here is the list:

Sun	£74,388,250
Phoenix.....	58,780,617
North British and Mercantile.....	39,634,200
Law.....	33,896,312
Liverpool and London and Globe.....	32,296,827
Imperial.....	30,731,100
Royal Exchange.....	29,022,510
County.....	24,832,689
Royal.....	24,792,690
Westminster.....	23,502,884
London.....	19,987,340
Atlas.....	18,052,407
Union.....	17,965,930
Commercial Union.....	17,802,137
Guardian.....	15,807,400
Alliance.....	13,545,987
Northern.....	9,953,354
General.....	9,029,511
Norwich Union.....	8,820,543

Hand-in-Hand.....	8,000,000
Law Union.....	6,000,328
West of England.....	5,517,138
Lancashire.....	4,950,000
Manchester.....	4,578,653
Queen.....	4,425,175
London and Lancashire.....	3,552,529
Scottish Union.....	3,268,479
London and Southwark.....	3,050,000
Kent.....	2,805,198
Church of England.....	1,615,834
Scottish.....	1,523,000
Scottish Commercial.....	1,189,958
Royal Farmers.....	1,016,119
Brittania.....	1,000,000
Great Britain.....	1,000,000
National of Ireland.....	1,000,000
Scottish Provincial.....	1,000,000
Scottish Imperial.....	827,758
Aziender Assacuratrice.....	638,396
Scottish National.....	567,332
Caledonian.....	553,772
Magdeburg.....	375,064
Universal.....	355,092
Emperor.....	289,733
Belfast.....	275,000
Anchor.....	274,811
Staffordshire.....	270,000
Middlesex.....	237,489
Midland Counties.....	174,700
Home, of New York.....	141,090
Norwich Equitable.....	135,278
Preserver.....	54,584
Mutual.....	46,100
Yorkshire.....	44,200
Salop.....	42,270
La Confiance.....	42,205
Primitive Methodists.....	27,030
Netherlands.....	26,554
Household.....	11,700
Shropshire and North Wales.....	9,680
Equitable.....	8,550
Essex and Suffolk.....	8,850
Patriotic.....	1,050
Total.....	£503,572,307

Kansas—Her Insurance Laws and Insurance Department.

The committee appointed by the Kansas Legislature at its last session, to investigate the general management of the insurance department of that State; the condition of the insurance companies doing business in Kansas; and the late Kansas Insurance Co. of Leavenworth has submitted a report, in which they say that the superintendent did all that the law required of him, when he notified the Attorney-General of the condition of the Kansas company. The com-

63 copies

mittee also recommend a change in the laws of Kansas relative to mutual fire insurance companies, and thinks that the present law, which allows a mutual company to issue policies whenever possessed of \$250 or \$300 of premium notes of policy-holders, etc., thinks the law "deals exceedingly loose with a mutual company, or is unreasonably stringent with a stock company," which requires that a stock company shall have a paid-up capital of \$100,000, before it can commence business. The committee closes their report on this subject with the following sensible suggestions:

"The judgment of this committee is, that there should not be allowed to exist on the statute books of this State a law authorizing the organization of mutual insurance companies, with authority to assume all classes of hazard on so unreliable a financial basis, unless such company be connected with and confined to the members of some other solid organization which exists in this State, and said organization and its individual members pledged and bound to carry out in good faith all contracts of such mutual insurance company.

"It is the opinion of your committee that this law should be thoroughly revised to require responsibility and security to the insured, or that the statute should be repealed, before serious loss is entailed upon policy-holders, and legitimate companies within the State brought into disrepute by such wild-cat organizations."

Concerning the general management of the insurance department, the committee have every reason to report that the conduct, method, and manner of its administration is admirable in all its details, reflecting credit upon the Commissioner, and giving to the insured within the State the greatest protection obtainable, in scrutinizing closely the ability to pay losses, and the fidelity of the management in companies doing business within the State.

—\$1,926,226.30 was paid out by the twenty-four companies reporting to the Chamber of Life Insurance, in death claims and matured endowments during January.

Fire Insurance in Kansas.

The following, from a circular issued by the Hon. O. T. Welch, Insurance Commissioner, shows the results of the year's (1876) business in Kansas of all companies authorized to do business in that State:

NAME OF COMPANY.	Premiums received.	Losses paid in 1876.	Percent of losses paid to premi- ums received.
Ætna, Conn.....	\$19,470.40	\$10,415.90	53.49
Amazon, Ohio.....	5,093.01	3,437.12	67.48
Am. Central, Mo.....	18,982.47	3,631.03	19.12
Am. Fire, Penn.....	3,330.51	4,962.52	149.00
Agricultural, N. Y....	723.32	588.00	80.95
Atlas, Conn.....	5,464.95	58.62	1.07
Citizens, Mo.....	530.00	2,958.35	560.07
Commercial, Mo.....	4,906.59	1,679.75	34.23
Com. Union, Engl.....	1,197.96	None	None
Conn. Fire, Conn.....	2,307.89	33.25	1.44
Continental, N. Y.....	20,550.65	14,845.01	50.23
Equitable, Tenn.....	2,272.60	1,910.00	84.13
Faneuil Hall, Mass...	2,017.22	4,000.00	198.29
Fire Associat., Penn.	8,204.68	7,169.36	87.38
Fireman's Fund, Cal.	5,319.90	593.75	11.16
Franklin, Penn.....	9,488.77	1,093.27	11.52
Franklin, Mo.....	1,079.66	193.00	17.87
Germ.-American, N.Y.	11,424.96	413.95	3.71
Germania, N. Y.....	4,242.54	4,087.70	96.35
German, Ill.....	3,804.39	1,110.88	29.20
Girard, Penn.....	1,196.15	None	None
Hanover, N. Y.....	4,242.54	4,087.70	96.35
Hartford, Conn.....	11,084.78	4,202.64	37.91
Home, N. Y.....	20,617.68	9,998.56	48.49
Home, Ohio.....	1,422.66	1,318.09	92.34
Homestead, N. Y.....	781.08	None	None
Howard, N. Y.....	206.21	None	None
Ins. Co. of N. Am., Pa.	12,870.76	12,153.96	94.43
Imperial, England....	1,936.75	635.11	32.84
Liv. & Lond. & Globe	8,022.24	1,829.50	22.81
London Ass., Engl.....	1,171.84	3,402.00	290.30
Manhattan, N. Y.....	2,561.00	2,733.66	109.30
Merchants, N. J.....	2,192.47	1,761.30	80.03
Merchants, Mo.....	330.00	None	None
National, Conn.....	872.28	59.00	6.71
Niagara, N. Y.....	4,018.91	4,020.60	100.04
Northern, Engl.....	1,936.75	None	None
N. B. and Merc., Engl	9,734.69	6,473.87	66.50
Northwest. Nat., Wis.	1,677.16	None	None
Orient, Conn.....	3,101.16	281.00	9.00
Peoples, Newark, N.J.	1,833.46	1,971.90	107.55
Peoples, Trenton, N.J.	75.00	None	None
Pennsylvania, Penn...	2,737.28	5,401.15	197.31
Phenix, N. Y.....	16,782.69	5,832.73	34.75
Phoenix, Conn.....	22,926.49	14,564.44	63.53
Queen, England.....	2,707.20	784.71	28.98
Reading Fire, Penn...	14.00	None	None
Roger Williams, R. I.	456.00	None	None

Royal, England.....	2,191.25	6.90	0.30
Royal Canadian.....	2,338.90	47.59	2.03
Scott. Commercial.....	4,996.03	314.00	6.29
Shawmut, Mass.....	1,371.04	20.00	1.46
Springfield F. & M.....	8,994.70	830.53	9.23
St. Joseph F. & M.....	7,255.97	2,350.00	32.38
St. Louis, Mo.....	2,105.00	2,500.00	118.72
St. Paul Fire & Mar..	2,418.25	5.00	0.20
Travelers, Ill.....	545.73	25.00	4.51
Westchester, N. Y.....	4,054.92	1,116.31	27.52
Totals and averages \$313,132.00	\$151,903.94	48.51	

The Bond Street Fire.

New York City was visited by quite a serious conflagration on the 6th ult. The fire occurred at Nos. 1, 3 and 5 Bond Street, in what is known as the Waltham Building, which was owned and occupied by Robbins & Appleton, agents of the American Watch Company of Waltham, Mass. The cause of this fire is reported to have been the carelessness of one of the employees of Taylor, Olmstead & Taylor. The *New York Tribune* places the loss at \$1,661,760.

The following is a list of the burnt-out and their estimated loss :

Baldwin, Sexton & Peterson.....	\$300,000
Brown, Thomas J.....	30,000
Building No. 67 Blecker Street, Savings Bank.....	100
Building No. 652 Broadway, owned by Mrs. Blackfan.....	300
Building No. 650 Broadway, owned by J. Stevens.....	500
Ham, John E., carriages.....	300
Flowers & Hill, carriages.....	200
Building No. 658 Broadway, owned by Dr. Palmer.....	300
Wileox & Gibbs.....	60
Carter, Howkins & Sloan.....	150,000
Choyney, Jesse S.....	20,000
Darress, G. A.....	10,000
Dominick & Haff.....	35,000
Gorham Manufacturing Co.....	250,000
Jacob Gerard & Co.....	75,000
Mulford, Hale & Cottle.....	200,000
New York Jewelers' Association.....	5,000
Pearce, Kursh & Co.....	50,000
Robbins & Appleton (building and stock)	350,000
Robert, James E.....	75,000
Taylor, Olmstead & Taylor.....	100,000
The Adams & Shaw Co.....	10,000

The insurance is as follows, amounting to \$515,300:

American.....	\$3,000
Atlantic, Providence.....	2,500
Amity.....	10,000

Boston Underwriters.....	15,000
Boylston, Boston.....	5,000
British America.....	5,000
Broadway.....	6,000
Buffalo.....	2,500
Citizens'.....	5,000
City.....	9,500
Clinton.....	5,000
Columbia.....	5,000
Commerce.....	2,500
Commerce, Albany.....	2,000
Commercial.....	10,000
Commercial National.....	5,500
Commercial Union.....	2,500
Eagle.....	5,000
Elliott, Boston.....	3,750
Empire City.....	2,500
Exchange.....	5,000
Fairfield.....	2,500
Farragut.....	5,000
Firemen's.....	15,000
Fire Association.....	5,000
Firemen's, Boston.....	2,500
Firemen's Fund.....	2,500
Fireman's Fund, Cal.....	7,500
Firemen's, Newark.....	5,000
Franklin.....	5,000
Franklin, Boston.....	5,000
Gebhard.....	9,000
Globe.....	5,000
Greenwich.....	10,000
Guaranty.....	5,000
Guardian.....	5,000
Guardian, London.....	5,000
Hamburg-Bremen.....	20,000
Hamilton.....	5,000
Hartford, Conn.....	5,000
Home.....	5,000
Hope.....	5,000
Howard.....	5,000
Importers' and Traders'.....	5,000
Jefferson.....	5,000
Knickerbocker.....	5,000
Lafayette.....	5,000
Lamar.....	5,000
Lancaster, Penn.....	5,000
Lenox.....	3,000
London Assurance.....	11,000
Lorillard.....	3,000
Manhattan.....	5,000
Manufacturers' and Builders'.....	5,000
Manufacturers, Boston.....	5,000
Mechanics'.....	5,000
Mechanics' and Traders'.....	5,000
Mercantile.....	2,500
Mercantile, Cleveland, O.....	3,000
Merchants'.....	10,500
Merchants', Newark.....	2,000
Montauk.....	10,000
New Hampshire.....	5,000
New York City.....	7,500
New York Equitable.....	5,000
New York Fire and Marine.....	5,000
New York Produce Exchange.....	5,000

North British.....	10,000
Pacific.....	5,000
Park.....	10,000
People's, Newark.....	5,000
Relief.....	5,000
Republic.....	5,000
Resolute.....	5,000
Revere.....	2,500
Ridgewood.....	5,000
Rochester—German.....	4,500
Roger Williams, Providence.....	2,500
Royal.....	10,000
Safeguard.....	9,800
Springfield.....	2,500
Standard.....	2,500
Star.....	4,000
Sterling.....	9,000
St. Nicholas.....	5,000
Tradesman's.....	5,000
Union Mutual.....	7,500
Washington, Boston.....	3,750
Westchester.....	7,500
North-Western National.....	5,000
Western, Toronto.....	5,000
Williamsburg City.....	5,000

Report of a Committee on Local Agents, to the Fire Underwriters' Association of the the Pacific—Secretary's Report.

The first annual meeting of the above association was held on the 20th of February, the proceedings of which appeared in our March issue. At this meeting the Committee on Local Agents and the Secretary were given more time to make a report, and at the regular monthly meeting, held March 20th, Mr. Gunnison, of the committee, submitted a report, which was read from the Secretary's desk, and (omitting preliminary remarks) is as follows :

The appointing of local agents throughout the Pacific Coast has gone through a wonderful change during the last ten years. Only ten years ago there were so few fire insurance companies on this coast that it was a matter of but little difficulty to find a fair or good man to act as agent for each company in any town of ordinary size. But the steady influx of Eastern and foreign companies has so used up the insurance material, so to speak, that now, to be successful in appointing locals in even the larger towns, without combining several

companies in one agency, requires more than ordinary tact, experience, and acumen.

The success and standing of any company depends a great deal on the character and good judgment of its local agents. As "a man is known by the company he keeps," so a *company* is known by the *men* it keeps (as agents). There are but few men in any interior town that possess in a high degree the requisites for good, reliable agents, and in some towns it is difficult to find any. Therefore it is not strange that when you have to "try them on, to know how they will fit," you will occasionally find locals that prove incapable, and sometimes dishonest. But it is far better to have a good man prove incapable of getting a large business, than to find a smart, active, successful solicitor of business turn out at last to be a defaulter. Perhaps there is no business in which men oftener mistake their calling or their abilities than in acting as local agents for fire insurance companies.

Men who fail in everything else do *not* make good insurance agents, though too often tempted to try it as a last resort. Neither do men who are really successful in their own business, and who accept the agency by the "forcing process," adopted by too zealous "specials," who dislike to report to their home office their failure to appoint an agent.

Better do a small business, with a good, willing agent, or even no business at all, in some towns, than risk the agency in bad hands ! Men are said to be honest for the want of an opportunity to steal. Too often the smart, smooth-tongued and confident young man runs away with the collections, between two days, and this brings up a question upon which experts differ. If "A" places his surplus business with "B," and "A's" agent decamps with the funds, is "A" holden to "B" for the latter's proportion of the premiums ? A case in point has just been tried before Judge Wheeler. The testimony of experts largely preponderated in favor of the fact that "A" was, in law and custom, held, but that "courtesy" between the companies oftentimes led "B" to pocket the loss with a grimace. The

Judge decided in favor of law and custom, and left "courtesy" to take care of itself.

This point might be easily settled by the underwriters agreeing upon some definite course to pursue in such cases, deciding whether or not "B" takes the risk of "A's" agent's honesty, along with the other risk.

I have the authority of our worthy Secretary, that "local agents" include city brokers and solicitors of insurance.

At the risk of lengthening this report to an unpardonable extent, a few words on this point may not come amiss. It should be the honest effort of every underwriter to secure good business at fair, paying rates, and consider a large business, secured at the expense of fair rates, as undesirable, and not good underwriting. The former can be secured under a healthy and business-like competition in the field of practical underwriting, and the honest, capable and experienced broker or solicitor is a useful and profitable adjunct thereto. But the custom now so prevalent, of paying brokerage to everyone who will bring *grist to the mill*, without regard to the character or responsibility of the solicitor, is inducing many to enter into the business of soliciting fire insurance who are unfit for any business whatever—untrustworthy and really dishonest. It is not the fact alone that the process of beating down rates, a process that "cuts both ways at once," so well known to you all, but it is the fact that the respectability of the business of underwriting is greatly lowered in the business community thereby. Careful underwriters are thus forced to give up good business to those who think more of an array of big figures at the end of the year, than of safety to themselves and perfect indemnity to their customers.

Under this head, also, the question of dishonesty of agents comes up, if they are agents of the underwriters at all, as is doubtful. We number among our insurance brokers and solicitors in this city many men of proved integrity and trustworthiness, but in a business requiring no capital to start, many can be found who eventually prove dishonest.

There should be a rule adopted among

underwriters, by which one should be required to report to all the others the names of defaulting solicitors, and a rule requiring the others to cease all business intercourse with the defaulter.

This would soon weed out a large number, and we might safely leave the balance of the work to the Board of Insurance Brokers, if there is such a board. There is no reason why the brokers and solicitors of fire insurance should not be a healthful and useful body of business men. In this connection, it might be possible that some course adopted by the underwriters in their conduct toward the insured, whom the irresponsible solicitor has cheated out of his premiums, would work a salutary effect in preventing a too hasty and careless payment of premiums, without a receipt from the proper sources. A case in point has just been decided on appeal in the New York courts, where the Insurance Company sued the assured for premium paid to the broker, and recovered judgment for premium and costs.

The N. Y. *Insurance Monitor* says of this matter: "Thus the question appears to be now fully settled—property-owners must see to it that the premium is actually paid to the company, under the penalty of being compelled to pay a second time, if the broker pockets the money paid him."

Respectfully submitted,

A. R. GUNNISON.

This was followed by the report of the Secretary, who said :

Mr. President and Gentlemen of the Fire Underwriters' Association of the Pacific:

At the last meeting the Secretary was called upon for a report: in accordance with that request, the Secretary begs leave to submit the following:

In reviewing the work of the year just passed, we find that the association has steadily progressed in interest as well as in membership, this being, as it were, a school for the younger member, and a sort of literary club for the older ones, where they can give the benefit of their experience, and discuss those subjects which long and patient training has made familiar to them and valuable to their principals. It can, there-

fore, be no ordinary association to which we belong, but one that calls for the fellowship of the entire fraternity, and is too valuable to be allowed to lag for want of proper effort. Thus, I think, if each member would represent to the underwriting fraternity of the Pacific Coast the object of the association and its general features, we should add largely to our number, and stimulate the present membership to renewed efforts in the way of progress.

The association can show an increase in its membership during the past year of twenty-one; thus, with our original twenty-eight, our total membership is forty-nine, an increase of (75) seventy-five per cent.

The secretary desires to call the attention of the members to the fact that at the meeting held March 21st, 1876, a committee, consisting of Messrs. Geo. W. Spencer, R. H. Magill, and B. C. Dick, was appointed to form a nucleus for a library for the association. The committee have never made a report showing progress.

In regard to this committee, the revised by-laws provide for a "Standing Committee on Library," and it is to be hoped that so important a work will be faithfully attended to, and not allowed to become a nonentity; and allow me to suggest that steps be taken to provide a suitable book-case to hold the books that we now have, and that the committee suggest a list of text books which would be desirable to add to the library, and thus make a fair start. I think that the association would even be willing to receive donations in that line.

There was also at the meeting held Nov. 21st, 1876, a resolution adopted, "That the chairman appoint at each meeting three members of the association, one of whom shall present an adjustment for discussion at the meeting following the appointment." The chair appointed, as such committee, Messrs. H. H. Bigelow, R. H. Magill and W. J. Landers, and no report has been received from this committee, nor has any subsequent committee been appointed.

This is too valuable a work to be assigned to oblivion, and if the committee so elect, they can conduce very materially

toward building up the association and vesting it with new interest. This is, in fact, the *keystone to our arch*, when we consider the object of the association, *i. e., mutual improvement*—for what can be more instructive and improving than for us younger members to listen to our elder brethren, as they discuss so familiar a topic as a "loss adjustment?"

Then, by all means, let us have a committee appointed, or the old one re-appointed, and then we can listen to many a reminiscence and story of the days of "*lang syne*," and the untangling of many knotty complications in non-concurrent policies.

While on this subject I would like to offer a suggestion for your consideration, to wit: That the committee be reduced to one member—this will not use up our choice ones so rapidly—and that the member be instructed to hand to the secretary a written theme, before the next meeting, which, in the absence of the member, will be read from the secretary's desk. However, should the member be present, the theme will be returned to him and he can make his report in person. The object is that the subject for discussion will be presented to the association even though the committee should be absent.

These things, gentlemen, are offered for your consideration, and if the suggestions are accepted and carried into effect, I feel confident they will do much to bring the association into prominence and repute, and will tend to produce fuller attendance and greater interest in our meetings.

Respectfully submitted,

J. W. STAPLES,

Secretary.

—The American Central Insurance Company recently successfully contested a case in the St. Louis Circuit Court (*Rothschild vs. American Central Insurance Company*) in which the court held that where additional insurance was obtained on the insured property without the consent of the company and in violation of the stipulation of the policy, the insurance under the policy of the defendant company was void.

"Insurance From the Home View."

In a letter to the *Bulletin* of the 26th of March, headed "Insurance from the Home View," the correspondent X. complains, among other things, of the amount of gold sent out of the State of California by the agents of Eastern and foreign insurance companies that do business in San Francisco. This complaint belongs to a class of errors which formerly was common to all the commercial nations of the world, and which was not exploded by any of them until about the third or fourth decade of the present century. At the commencement of this century the science of political economy, properly so called, was hardly in existence. Quesnay, it is true, had appeared in France, and in England Adam Smith had published his great work, "The Wealth of Nations;" but neither the one nor the other had as yet attracted the Ricardos, the Chevaliers, and the other luminous expositors, who have laid down a law for the production of wealth. The error of supposing that wealth consisted of gold and silver, and might be indefinitely increased by exporting as little as possible of these precious commodities, was embodied in the commercial policy of all the great European powers, and even the strong, practical understanding of Napoleon Bonaparte was infected by this fallacy. Indeed, he seems to have been the great apostle of this perverted system. Under his rule this system, which is spoken of by political economists as the "mercantile theory," and sometimes as the "anti-commercial system," pervaded all Europe. Napoleon believed that free trade between one nation and another was like gambling between one individual and another, and that it was mischievous to the one which, in the settlement of accounts, had to pay a balance in money. The fiscal experience of the United States is a sufficient refutation of Napoleon's fallacious assumption, and a proof that a large export of the precious metals may coincide with a vast and increasing measure of the national prosperity.

Even before the discovery of gold and silver in California and Nevada, which introduced these commodities among the staple productions of the United States, the wealth of the country under the chronic condition of a balance of trade to be paid for in gold, had increased in a greater ratio than even the increase of population. But whatever truth may lie in the propositions here advanced, it is not true, as X has averred, that the money sent out of California by the operations of the Eastern and foreign insurance companies has been any detriment, direct or indirect, to the interests of our State. Neither is it true, as X has alleged, that they took away nearly \$4,000,000 during the last year—of this large sum received by them, which we hope to see increased during the next decade in a triple and quadruple ratio, about 35 per cent. was paid back for losses to residents, and about 34 per cent. was paid to resident agents for commissions and office expenses. Of the remainder—31 per cent.—there is still a considerable reserve which will be brought back here in the event of a general fire or great marine disaster. And even the small net profit which may remain to these companies on average of future years, is not at all lost to us. Apart from the consideration of security which it has furnished us, it has gone to swell the resources of our customers in the Eastern States and in foreign countries, and to increase the fund from which they are enabled to purchase our wheat, our wool, our wine, our silver, and our gold. The position of X that the Eastern and foreign companies contribute nothing to the expenses of the government, but "a pitiful city license," is also untenable. More than one-half of their premiums after the deduction of losses, is retained by agents resident in California, and serves to increase the amount of the latter's taxable property, to stimulate the development of our cities by the erection of handsome and commodious offices, and, thereby, to distribute wages among mechanics and laborers. Besides, the competition of these companies creates a large proportion of the business which is done in California by insurance companies in general.

If every Eastern and foreign insurance company were to be expurgated to-morrow, it is certain that the amount of premiums to be generally received would be very much curtailed. Many owners of property, under a reasonable apprehension, would be afraid to trust their interests entirely to the local companies, whose limited diffusion of large risks would become more dangerous than they are at present. Such owners would send their applications directly to the East or to foreign countries.

To these countries, of course, the local companies would not follow, and in the Eastern States they would be met by a reciprocation of the illiberal proceedings that had driven their competitors from California. After a few years of seeming prosperity, they would perish by one of those extensive disasters, which though deemed extraordinary, seem to rotate with regularity under the laws of periodicity. If any prefiguration of such a fate be wanting, it may be found in the Chicago fire, and the previous history of the Illinois Insurance Law: The policy proposed by X for California was carried out exactly in the State of Illinois, and the result was ruin, utter and irretrievable. The records are in the Auditor's office of that State, and in the proceedings of the Attorney General against eight or ten Chicago companies whose assets were short of their liabilities about \$17,000,000.

There is another plea for the outside insurance companies which, though subsidiary, is not unimportant. Their energetic competition has engendered and promoted a system of personal solicitation which brings within the circle of insurance operations, a large amount of property which would otherwise be uninsured. And here, although it does not belong logically to our argument, let us say a kind word for the insurance solicitor, that much maligned, but most useful missionary of modern life. His persistency, his obtrusiveness, his indomitable impudence, his general "cheek," as his qualifications are termed by his detractors, have long been a standing subject of jest for the small wits of the comic papers, but it would be well if anything they have ever done could

approach in utility to his arduous labors. Philosophically enduring the "spurns that patient merit of the unworthy takes," he is to be found at all seasons warning the incautious of their danger, and urging them to secure their creditors from loss and their families from ruin.

But now "let us return to our sheep"—let us return to X. "Since the formation of local insurance companies in California in 1860," he says, "no local insurance company has failed to redeem every promise made; even the Builders' and the Occidental, although closed by the severe hand of the Insurance Commissioner, reimbursed every risk and paid every loss in full. Chicago, with its great fire, did not bankrupt the unfortunate companies that it swept away. They met every claim, reimbursed every risk, and no person on the Pacific Coast lost one cent by that calamity, except the stockholders. *This will always be so.*" We hope so; and that the credit of X will be much better as a prophet, than it is now as an historian. With the ordinary research which in the latter capacity he should have instituted, he might have learnt that the local companies expelled by the Chicago fire were discharged from their engagements only by a bankrupt compromise. The Pacific settled losses with California and all other policy-holders for from 30 to 50 cents on the dollar; the People's and the Occidental at from 20 to 40 cents, and all three re-insured a portion only of the outstanding policies; they cancelled the remainder, principally at short rates.

We advance these statistics in simple justice, and in no wise wish it to be inferred that they militate against the stability of the local companies now in existence; but, on the other hand, we protest against the implied deduction of X, that the failure of six outside companies in 1876 can affect the credit of the ninety odd that now remain. This failure (always admitting X's figures) was, on a mere numerical computation, less than 6 per cent. against the outside companies. On the basis of proportionate capital, the percentage would undoubtedly be much less. If one of the seven local com-

panies were to fail, the proportion against these would be over 14 per cent. The principle of these proportions is to be found in the well-known conundrum, "Which eat the more, white sheep or black?" and in the answer, that "white sheep eat more, because there are more white than black." The loss to California policy-holders (again admitting the figures of X) was by the failure of some outside companies, in 1876, \$64,000, and the risks written by all these companies, according to the Commissioner's report, were (discarding the smaller figures) \$201,638,000. The loss, therefore, in proportion to the amount, of which the security has not been impeached, was about 1-30th of 1 per cent. In no other department of commercial or financial affairs could so large a volume of business have been compiled with so little loss by defalcation of the parties concerned. Insurance, as was remarked by Mr. Senior, a former professor of political economy at the University of Oxford, is one of the safest of employments. It is this safety that invites the extra competition, and this effect, when it tends to the diffusion of risk, acts in turn upon the cause.

We have placed the communication of X in the crucible of equitable criticism in the hope of finding one grain of unperverted reason, but it is not there. His objection that outside companies can transfer litigated claims to the United States courts, and thereby wear out claimants by expense and delay, is very infelicitous. We are informed by eminent counsel that the expenses of the United States Circuit Courts are not as much as those of the District Courts, and that the delay in the former is not greater than in the latter. Of course, an appeal to the Supreme Court of the United States is expensive and tedious, but so would be a similar procedure in the Supreme Court of the State. Besides, contested insurance claims are generally on matters of disputed facts, and these matters are almost always adjudicated upon finally in the courts below.

Again be it said, that nothing herein contained is intended to impeach the stability of our local companies; our object is simply

to vindicate the general reputation of the other companies which has been assailed on false premises and by erroneous conclusions. There is no branch of business in which the capital of San Francisco could be more safely employed than in the extension of home insurance; provided that the laws of the State would abstain from imposing distinctive burdens upon the Eastern and foreign companies. There is an ample field for three or four more home companies, but they should be of first-class calibre, and should not confine their business to the Pacific Coast. Indeed, a large, if not the larger portion of their business, should be done in the great centres of population in the Eastern States; of course, without a liberal system of legislative reciprocity, such a career for them would not be possible.

The laws of this State affecting fire insurance companies are not very onerous, and we strongly deprecate the attempt of X and his constituents to make them more severe. We have a Commissioner who, in the estimation of X, and to use his classical allusion, is Argus-eyed in the detection of fraud and false pretence, and who (to use our own allusion) is a very Rhadamanthus in the severity of his functions. If this is so, it is right. Severity in the administration of the law becomes the judge, but it is the law itself that we would restrain from unnecessary harshness or interference. The legitimate covenants between one man and another, may be safely left to the intelligence and discrimination of the parties concerned. To use the idea, and in part the language of an eminent publicist, it is the essential business of legislation to enable the people to produce and enjoy their wealth in safety, but not to teach them how to manage their own concerns. The business affairs of the people are never better managed than by the people themselves.

—The Niagara of New York, Mississippi Valley of Memphis, and Franklin of Indianapolis have withdrawn from this coast, the latter withdrawing from all of the States, confining its business exclusively to Indiana, its "native land."

New Zealand Insurance Company.

The above-named company has filed its statement, showing its condition and affairs on the 30th day of November, 1877, with our California Insurance Commissioner, and published the same in the daily papers of this city, as required by law. The New Zealand is one of the old and tried institutions of the country, having been actively engaged in the underwriting business since 1859, or about seventeen years, during which time it has met every obligation to the satisfaction of its many patrons. The capital of the company is \$5,000,000, of which sum \$1,000,000 is paid up in cash. The fire business of the company for 1876 shows gratifying results, as may be seen from the following items from the statement :

Net cash received for fire premiums.....	\$379,557
Net amount paid for fire losses.....	134,070
Percentage of losses to premiums.....	35

The marine business for the year did not "pan out" quite so well, the losses being \$310,211, against \$448,780 in premiums; yet the total losses, fire and marine, to total premiums received, were only a fraction over 54 per cent. The company paid to stock-holders a dividend of \$155,137, after increasing their *net* surplus from \$110,206 to \$190,555, and the reinsurance fund from \$257,000 to \$350,000. The present assets of the company are \$1,590,163, showing a gain in assets of \$117,143 over the previous year. The total liability, except capital, amounts to \$399,607, leaving a surplus as to policy-holders, of \$1,190,555. It is sufficient to say that there are few companies that show a larger relative increase in assets and surplus during 1876 than the New Zealand.

The company is indebted to the energy and good management of its California representative, Mr. Hugh Craig, for a very handsome return from this office last year, and may congratulate themselves on the results of the year's work at this end of the line. From the chairman's remarks at the company's annual meeting, we clip the following very timely words concerning the dividend and surplus question, the latter a thing almost wholly overlooked by many of

our American managers. The chairman said :

There may be a feeling on the part of some of the share-holders to the effect that a larger dividend ought to have been declared; but I think they will see that it is to the best interests of the company that we should in prosperous times lay by as much as possible, in view of the arrival of a time when the losses may be heavy, and when the profits may not be nearly as large as they have been during the last two years. The object of the Directors is to have a fund in hand, so that in periods of depression they may with certainty calculate upon paying a dividend as nearly as possible equal to that which we have hitherto been in the custom of paying.

The Aetna Fire Ins. Co. of Hartford.

It can be safely said that the Aetna Fire Insurance Company, of Hartford, has arrived at the age of maturity and discretion, as it is "well nigh into" three score years since it began operations, and notwithstanding the many serious conflagrations which swept away millions of dollars, some of those *millions* for this old company, the Aetna comes to the front with a little over *seven million dollars* assets, and enjoys an annual income of \$3,623,072.83, which is a little more than half its accumulated assets. The expenditure in 1876 was over half a million less than in 1875. The company paid its 24 per cent. dividend last year as in preceding year, and added to its assets \$237,496.98.

In the fifty-eight years of this company's existence the total losses paid amount to \$46,500,000. The following is the office summary of the assets on hand at the beginning of this year :

JANUARY 1, 1877, ASSETS. (At Market Value.)	
Cash on hand and in bank.....	\$745,077.51
Cash in the hands of Agents and in transit.....	441,289.41
Real Estate.....	365,000.00
Mortgage Bonds.....	1,477,505.00
Bank and Trust Company Stocks.....	1,275,535.00
Railroad Stocks.....	527,140.00
Loans on Bond and Mortgage.....	81,500.00
Loans on Collaterals.....	6,877.00
United States, State and City Stock and other securities.....	2,109,084.08

Total.....	\$7,037,907.95
------------	----------------

The interests of this old Hartford company on this coast are properly looked after by Mr. Geo. C. Boardman, its general agent.

ITEMS FROM ANNUAL STATEMENTS

for the Year ending Dec. 31st, 1876, of the American Fire Insurance Companies doing Business on the Pacific Coast.

Name of Company.	Cash Capital.	Gross Assets.	Liabilities, except Capital.	Surplus as to Policy-Holders.	Fire Premiums received, 1876.	Losses paid, 1876.	Total Income, 1876.	Total Expenditures, 1876.	Expenditure to Income.....	Losses paid, to Premiums received.
California, San Francisco.....	\$300,000	\$560,704	\$100,206	\$460,498	\$90,655	\$26,649	\$211,879	\$163,200	.77	.29
California Farmers', San Francisco.....	150,000	310,411	90,293	220,117	64,630	28,228	359,730	56,485	.84	.43
Commercial, San Francisco.....	200,000	400,836	113,552	287,283	125,764	119,280	3,538,196	295,633	1.20	.94
Fireman's Fund, San Francisco.....	300,000	703,621	278,498	425,122	401,128	246,291	442,096	554,862	.99	.61
Home Mutual, San Francisco	200,000	595,291	189,688	305,602	342,814	117,814	338,104	286,165	.77	.34
State Investment, San Francisco.....	200,000	419,448	174,296	245,152	239,662	199,735	339,730	397,244	1.17	.83
Union, San Francisco	750,000	1,027,021	124,392	902,630	161,348	44,438	3,349,596	307,316	1.02	.27
Yuna, Hartford.....	3,000,000	7,115,624	2,170,388	4,945,236	3,238,269	1,729,854	386,899	83,426	.94	.53
American, Philadelphia.....	400,000	1,280,976	509,915	771,060	378,832	221,734	414,607	386,899	.87	.58
Atlas, Hartford.....	200,000	442,133	232,634	209,489	389,015	291,828	442,096	482,076	1.16	.75
Amazon, Cincinnati.....	500,000	935,162	416,551	518,611	599,809	390,471	633,935	673,994	1.16	.65
Arctic, New York	200,000	244,666	31,882	213,284	83,394	26,679	94,257	86,307	.91	.32
American Central, St. Louis	300,000	747,467	244,622	502,844	71,698	26,900	71,698	39,726	.55	.37
Citizens, Newark.....	200,000	501,806	337,531	164,454	467,199	335,982	490,193	538,747	1.09	.71
Citizens, St. Louis	200,000	433,146	111,043	322,103	184,076	132,173	215,995	216,850	1.00	.72
Connecticut, Hartford.....	1,000,000	1,362,843	178,869	1,183,974	267,880	132,324	323,682	404,275	1.22	.49
Continental, New York	1,000,000	3,040,085	1,196,070	1,848,015	1,402,810	664,892	1,539,919	1,333,711	.86	.47
Exchange, New York	200,000	398,547	65,088	333,468	143,429	79,404	171,232	182,256	1.06	.55
Faneuil Hall, Boston.....	400,000	519,902	117,635	402,266	207,579	106,971	235,319	231,765	.98	.52
Fairfield, South Norwalk.....	200,000	305,314	70,390	234,923	127,859	8,765	142,751	108,097	1.11	.....
Franklin, St. Louis.....	200,000	313,384	75,091	251,083	108,656	61,756	124,275	130,538	1.05	.57
Fire Association, Philadelphia.....	500,000	3,778,657	2,273,672	1,504,979	1,148,083	551,558	1,358,782	1,175,781	.85	.48

Girard, Philadelphia.....	300,000	1,112,276	391,788	720,488	399,477	107,900	459,472	341,987	.75	.27
Glens Falls, New York.....	200,000	826,273	314,260	512,013	802,712	144,130	346,378	251,562	.73	.47
German-American, New York.....	1,000,000	2,226,552	574,715	1,651,837	858,661	368,226	955,770	789,541	.83	.43
Home, Columbus, Ohio.....	250,000	491,645	120,852	360,793	258,476	151,103	282,820	292,499	1.03	.58
Home, New York.....	3,000,000	6,104,650	2,101,866	4,002,784	2,901,033	1,584,382	3,207,994	3,009,524	.96	.54
Home, Newark, N. J.....	200,000	255,832	41,564	214,272	58,364	22,178	86,864	77,383	.89	.38
Hoffmann, New York.....	200,000	387,992	82,306	305,685	159,710	97,966	181,245	197,948	1.09	.....
Hartford, Hartford.....	1,000,000	3,273,868	1,173,319	2,100,549	1,711,211	848,866	1,876,358	1,583,564	.84	.49
Insurance Comp. of N. A., Philadelphia	2,000,000	6,601,883	2,235,511	4,366,372	1,373,850	681,522	1,643,341	1,634,832	.99	.49
Jefferson, St. Louis.....	200,000	269,535	40,343	229,192	67,633	13,137	83,831	59,928	.72	.20
Lycorning, Pennsylvania.....	.....	451,186	390,212	.....	.....	.....	685,083	574,371	.83	.64
Lamar, New York.....	200,000	411,268	79,518	331,750	133,306	72,171	180,456	164,708	.90	.54
Merchants', Newark.....	200,000	1,003,083	302,186	700,897	432,625	177,313	484,213	384,711	.79	.41
Manufacturers', Newark.....	200,000	303,988	88,386	220,601	117,348	61,313	130,197	115,974	.89	.52
Manufacturers', Boston.....	500,000	1,090,058	431,223	658,835	369,101	252,527	430,247	.....	.....	.52
Manhattan, New York.....	250,000	830,658	293,516	537,141	597,196	403,339	694,453	656,422	.94	.67
Northwestern National, Milwaukee.....	600,000	877,195	206,680	670,512	243,223	145,812	389,914	337,886	.86	.59
Northern, New York.....	250,000	366,468	72,901	293,567	116,714	56,661	135,481	101,587	.75	.48
New Orleans Ins. Assn, New Orleans.....	295,650	535,476	151,178	374,298	298,898	153,018	404,915	246,149	.60	.51
Phoenix, Hartford.....	1,000,000	2,407,531	875,279	1,532,251	1,344,485	637,472	1,453,658	1,294,780	.89	.47
Phoenix, Brooklyn.....	1,000,000	2,792,902	896,368	1,896,534	1,191,820	597,696	1,567,175	1,275,796	.81	.50
Pennsylvania, Philadelphia.....	400,000	1,675,694	1,275,894	912,783	535,431	267,442	618,514	480,150	.77	.49
Peoples', Newark.....	200,000	430,733	135,386	295,347	254,018	139,464	278,040	260,769	.93	.49
Paterson, Paterson, N. J.....	202,700	377,827	155,008	222,819	255,560	140,525	281,819	229,268	.81	.55
Rhode Island Ins. Assn, Rhode Island.....	1,000,000	607,299	389,362	1,217,936	556,139	260,777	696,995	662,960	.94	.68
Revere, Boston.....	200,000	268,374	48,670	219,703	65,391	10,254	76,047	41,551	.54	.11
Security, New Haven.....	200,000	384,058	133,265	250,793	146,764	75,794	163,422	153,164	.93	.52
St. Nicholas, New York.....	200,000	325,479	70,336	255,143	135,926	55,578	156,997	131,774	.83	.41
St. Paul, St. Paul, Minn.....	400,000	943,660	325,664	617,995	408,832	280,035	483,672	470,500	.97	.68
St. Louis, St. Louis.....	240,000	347,001	105,852	241,148	210,198	127,103	229,110	229,524	1.00	.60
St. Joseph, St. Joseph, Mo.....	230,000	420,245	93,465	326,780	164,983	75,766	200,271	156,272	.78	.46
Traders', Chicago, Ill.....	500,000	827,359	145,408	681,959	260,459	126,319	317,684	299,261	.94	.48
Union, Galveston, Texas.....	200,000	255,216	38,273	216,943	67,654	39,388	104,872	99,388	.95	.59
Underwriters' Agency, New York.....	1,000,000	3,360,731	1,156,538	2,204,193	1,560,668	688,989	1,739,884	1,580,730	.93	.44
Westchester, New York.....	300,000	861,409	359,909	501,500	706,599	442,929	747,054	720,781	.96	.62

CORRESPONDENCE.

Denver Letter.

[From our Traveling Correspondent.]

DENVER CITY, COL., March 24th, 1877.

EDITOR COAST REVIEW:

Dear Sir—Denver is a place which seems specially favored by nature, and the evident good taste of its residents in laying out its streets, in the erection of handsome buildings, etc., has made it in truth a beautiful city. As I cannot claim an extended acquaintance, I hardly feel justified in passing an opinion upon the people or the business interests of the place, though of the former I would say that those I have met have received me with that degree of cordiality so common in the West; and, of the latter, that business seems at least fair, while all with whom I have conversed are sanguine that this new State has a bright future before her. Among insurance men, the bright and shining lights are Messrs. Crater & Cobb, representing the *Ætna*, Continental of New York, Franklin of Philadelphia, St. Joseph Fire and Marine, North America, New York Underwriters, North British and Mercantile, Phenix of Brooklyn for fire, and the Connecticut Mutual for life business. [Where will you find another agency with such a line of companies?] Messrs. Paterson & Sweeney, who represent the Home of New York, Fireman's Fund of California, Imperial and Northern, Manhattan of New York, Lancashire, Phenix of Hartford, Fire Association of Philadelphia, Hartford Fire of Hartford, The Merchants of Newark, N. J., for fire, and the Connecticut Mutual for life business. Messrs. Winne & McMann have the American Central, American of Philadelphia, London and Liverpool and Globe, London Assurance, Royal of Liverpool, Niagara of New York, Pennsylvania of Pennsylvania, St. Louis of St. Louis, Western Assurance of Toronto, Springfield Fire and Marine, St. Paul of St. Paul, Meriden of Connecticut for fire, and the Mutual Life and Travellers' for life and accident business.

J. E. Bates & Co., with the Home Mutual, of California; Lycoming, of Pennsylvania; California Fire and Marine; and the Commercial, of San Francisco.

In life business exclusively, Mr. W. G. H. Clark has the Equitable; Mr. T. G. Giddings the North Western Mutual; and Mr. J. E. Ayres the Missouri Valley. There are many other companies represented; but your humble servant knows little about them, and is not acquainted with the agents.

The aggregate amount of premiums taken in the State for the year ending May 1st, 1876, was about \$200,000 fire; and about \$60,000 life; the greater part of which was about fairly distributed among the gentlemen named above, the Home Mutual taking the lead as compared with any one company, a fact which speaks volumes for its accomplished agent, Mr. Bates.

The first General State Assembly has just adjourned. Considerable of my time has been passed in the respective Houses, and, from my observation, the members would compare favorably, in intelligence and *personnel*, with legislative bodies in older States. Following in the footsteps of other States, and not having the light of experience to show them its folly, they sought to create an insurance department, with the usual superintendent, whose duties were to be defined by law.

The bill was claimed to be almost an exact copy of the law at present in force in Missouri and various other States, and came uncomfortably near being placed upon the statutes of Colorado.

It had passed the House, and seemed likely to become a law by the action of the Senate. The friends of the bill urged that it afforded protection against "bogus companies;" while its opponents failed to realize its necessity, or that it would have any effect beyond creating a lucrative office. The debate was opened by Senator W. A. Hamill, of Georgetown, who moved to "amend the title, making it an act for the relief of the party whom it was known was to receive the appointment of Superintendent." The debate was warm; but, to his

everlasting credit, be it said that Senator Hamill stood holdly for his convictions, and dealt "State supervision" such sledge-hammer blows that the bill was defeated by *two votes*. It came up again, on a motion to reconsider, and again the same honorable Senator fought the fight. Said he: "If this was the only bill which would produce a revenue to this State; if it was the only bill which would support the institutions dearest to me, still I could not, and would not, vote for it." Proceeding, he remarked: "I have been told that if I did not support *this* bill, other measures, in which I am personally interested, will be defeated. Well, sir, if such be the results, I am willing to bury them all in the same grave." The motion to reconsider was lost, and the bill was supposed to be dead. It had many lives, however, and came to the surface again—by unanimous consent—a few days before the close of the session. It was then sent to a special committee, with instructions to so amend as to make the State Treasurer the Insurance Superintendent. This was done, and in such form it passed to engrossment. Now comes in the little joker. It was intended to call up the bill just a few hours before adjournment, pass it as amended, and send to the other House for concurrence in the amendments. The Assembly would *refuse* to concur, and send back a request for the Senate to recede. Had the Senate yielded, the bill would have become a law in its *original* form. There had been splendid generalship displayed, and Brother C—— is the best fighter I ever knew; but when the trying hour came, nerve was lacking somewhere, and consequently, the amended bill sleeps the sleep of death. The words of Senator Hamill had not been forgotten, and for two years, at least, this young State of Colorado will not range itself alongside of those who have among their institutions the ridiculous humbug of an insurance department, which performs the farce of State supervision. Every insurance company in the land owes a debt of gratitude to Senator Hamill, and, Mr. Editor, I am positive that you will endorse the sentiment.

I apprehend that life insurance has never been quite so thoroughly ventilated in Denver as during the last week. The Trust Fund Insurance Association, of your city, represented by its Secretary, Mr. Walker, and Special, Mr. Boon, have been organizing their business here in connection with the German Bank.

It seems that the agents of the Mutual Life, Connecticut Mutual, Equitable, North Western Mutual, and the Missouri Valley Life, made a united attack upon the "trust fund system," in the public press, claiming to "give all and more than the advantage claimed by the trust fund."

Mr. Walker responded with a challenge to meet and discuss with them the respective merits of the several plans of insurance. The challenge was accepted, and the discussion took place at the Stock Exchange, in presence of quite an audience. It was conducted by the agents of the Mutual Life, Connecticut Mutual and Equitable, together with their friends, on behalf of the old plan, and by Mr. Walker, Mr. Boon, Mr. Bates and Mr. Hatten for the new, or Trust Fund Plan. The debate was sharp, and lasted more than two hours, with the following result:

DENVER, Col., March 23d, 1877.—*Mr. Chairman*:—Your committee respectfully report, that upon such comparison of the "Trust Fund System" with the ordinary system of life insurance, as they have been able to make, they are of the opinion that the "Trust Fund System" offers on the whole better results and increased security for the party insuring; inasmuch as his deposits in the savings banks remain strictly his own property, subject entirely to his own control, the interest therein being all that he loses if he close his insurance, either by allowing his policy to lapse, or by withdrawing his deposit.

EDWARD KIMBALL,	} Com.
M. ANKER,	
H. C. CHAPIN,	

Now, Mr. Editor, in closing my letter, I would call to your mind the watchword of the Centennial year: *You know it*.

Very truly, yours, "STATES."

Virginia City Letter.

[From our Regular Correspondent.]

VIRGINIA, Nevada, April 2, 1877.

EDITOR REVIEW :— We are "hanging on the ragged edge" of financial despair. Business has been going from bad to worse for four months, and the only hope of an improvement lies in a reduction of the number of competitors. Last year Virginia grew in obedience to the demands of hopeful speculation. This year it is contracting in obedience to the decrees of the Bankrupt Court. Nearly three hundred and fifty attachment suits have been begun in the Courts here, since the first of January. Twenty proceedings in bankruptcy have relieved a like number of victims of financial miscalculation from a life-burden of debt. Besides a large unknown number of settlements have been made with creditors on private terms.

There is a marked increase in the number of places to let, and rents are receding. Everywhere the complaint is heard, "business is very dull, collections impossible!"

Trade derives its support from the mining industry, which now employs nearly the same number of men as it did last year, pays them the same wages, furnishes them food and clothing through the same channels, at the same percentage of profit. Then trade was active—prosperous; now it is languishing. We go back to the \$10,000,000 fire of October, 1875, covered by only \$2,000,000 insurance. The citizens lost \$8,000,000, and mortgaged remaining effects—credit and hope included—to repair the loss. Business houses sprang up and were stocked beyond the requirements of trade. Mercantile failures in other places chased the phantom hope to the sunny side of Mt. Davidson. Multiplied competition divided the profits, and, through rents and other auxiliaries to bankruptcy, increased the cost of living.

Mortgages mature, and Shylock "two per cent," followed by a retinue of receivers, is gathering the spoils.

The marked decline in mining stocks

has drawn the available funds of all classes into the hands of the brokers.

The miner buys these insecurities on the least possible margin. The constant decline of the past few months has as constantly required his wages to keep that margin good. The demands of the broker must be met. Other creditors must wait. In this way a large part of the monthly disbursements of \$450,000 have been kept from circulation.

All this affects the interests of the insurance agent and the companies he represents, increases the moral hazard, and is a serious question as to how far depression can go, without justifying the companies in withdrawing from the field.

We are promised better times; that the miner will pay more to the merchant and less to the broker; that the bullion yield will be increased \$1,000,000 per month, and we have a hopeful faith in the promises.

Most of the weak merchants have failed, and the unsuccessful are withdrawing.

Trade will find its level. Surplus competition will be rooted out. Extravagance has learned a lesson, and the prosperity of prudence and industry will follow in its footsteps.

Real estate has depreciated 40 per cent. in six months. Stocks are reduced. There is less to insure, less disposition to insure, and less money to pay premiums, and the applicant demands protection at a lower rate.

The Local Board, by resolution, promised a reduction, if Brown should be elected Chief of the Fire Department. Brown was elected, and a fulfilment of that promise is expected.

The transition from a volunteer to a paid department is progressing and will probably be complete by the first of May. The city is acquiring much of the volunteer department property and at present owns 1 steam fire engine, 1 hand-engine, 1 truck with hook and ladders, 8 hose carts, and 7,000 feet of hose, besides three reservoirs, seven miles of mains, ninety-two hydrants, twenty-one cisterns, and a supply of pipes, spanners and minor appliances of a fire department.

The department force at present consis

of 1 Chief Engineer at \$175 per month; 1 Assistant Engineer at \$100: sixteen citizens at each \$25: eight regular policemen each \$5.

Monumental Engine No. 6 remains in service, and is to receive \$135 per month and expenses. The company owns one hand-engine, one of the best steamers on the Coast, three hose carts, and 1,700 ft. of hose. Engine Company No. 5 will remain in service for a time and will furnish one steamer, one hand-engine, two hose carts and 1,000 ft. of hose.

The following distribution of the city's department property has been ordered: 1 steamer, 1 hose carriage, with horse and five hundred feet of hose, and everything belonging to the department not otherwise distributed, is located in the corporation house at No. 7 South B Street, a short distance South of Union Street: one hose house, carriage and 300 ft. of hose, cor A Street and Sutton Ave.

One hose house, reel and 200 feet hose at head of Mill Street.

One hose house, carriage and 300 feet hose at First Ward school-house.

One house, reel and 200 feet hose North A Street, between Carson and North streets.

One house, reel 200 feet hose corner Summit Street and Sutton Avenue.

One reel and 200 feet hose at Mooney's stable, B Street, between Union and Taylor.

One reel and 200 feet hose at head of Taylor Street.

One house, reel and 200 feet hose on A Street, two hundred feet South of Taylor St.

One house, reel and 300 feet hose B Street near Flowerly.

One house, carriage and 300 feet hose Northwest cor F and Washington streets, at Third Ward school-house.

One house, reel and 200 feet hose, Northwest corner L and Washington streets.

One house, reel and 300 feet hose on South G Street near Washington.

One house, reel and 200 feet hose at junction of South C and B streets.

One house, reel and 200 feet hose, corner of Howard and Franklin streets.

One house, reel and 200 feet hose, corner of C. and Silver streets.

Each mining company having independent water works, the distribution is made with the view of protecting other parts of the city. The water supply is sufficient at present and the danger of scarcity during the Summer is materially relieved by the prospective early completion of the Marlette Lake Tunnel, which will tap a natural reservoir in the Sierras, holding equal to a year's supply for this city.

The facilities for protecting Virginia against fire have been greatly improved, and so far the hazard should be less than heretofore.

The faulty construction of buildings, predominant frames, narrow streets, dry climate, high winds, and careless population make up a hazard nowhere greater than in Virginia. The new department is no great improvement on the old. There is a new chief, at advanced pay, who, with one assistant, one driver, and two firemen, constitute the paid force. The other members are firemen on a furlough, at reduced pay.

The writer hoped that the petitions, prayers, legislation, and aldermanic throes would give us something better.

We want a better system of alarms, something to tell at once the locality of the fire, and a force of firemen always ready to start at the first tap of the bell. We need a vigilant night patrol through the outskirts of the city.

We want fewer insurance agents, who, through avarice or ignorance, are ever ready to take overlines at half current rates.

We have no objection to the officers and members of the new department, but we are not convinced that the best system has been adopted.

The Nevada Mutual Life Ins. Co. is taking a rest, waiting for an improvement in business. Some think the general manager put the concern in his pocket, and removed it to your city, where the needed regeneration of a second birth might be possible. Others think it is dead. The writer is assured that it is not dead, but has gathered the drapery of its swaddling clothes about it, and laid down to rest and pleasant dreams.

OBSERVER.

Columbus Letter.

[From our Regular Correspondent.]

COLUMBUS, O., March 23d, 1877.

Editor Coast Review:

DEAR SIR:—"Now is the Winter of our discontent made glorious Summer," by the election of "Ohio's favorite son." Now we have "got 'em," the fellows that played "seven up" I mean, against *eight*, and Rutherford rode from the White House to the Capitol and *wasn't assassinated*.

We are sure of it, for we witnessed the ceremony, and both parties seem to like it, Southern policy and *all*. Now for business, as there is nothing else to hinder (unless it is to wait for the great unknown in 1880), we are now ready to receive, and are daily expecting their *measures*, with orders for life insurance.

Since our March letter went off, we have visited and interviewed the receivers of the late Security and Continental of New York, and find them both under a *heavy* bond to do the right thing with *every* policy-holder, which we think there is no doubt about being done. I would also add that it seems to me very fortunate for the policy-holders of the Continental that a change of receivers was made, and that the final winding-up of the company will be handled with *fidelity* by the new receiver, W. R. Grace, Esq. I might also mention, that as near as he can now tell, he expects to pay about 50 per cent. of the surrender value in the way of final adjustment.

We also had the pleasure of hearing some testimony before the "referee" in some of the "sifting" of the late Cont'l, which is now going on, and a brother of your H. H. Blake was there on the witness stand, and testified to having received some pretty "sleek commissions," along with other valuable considerations, during his transactions with "The Great Centennial Swindle of America."

In the person of the Hon. Wm. H. Wickham, Receiver of the Security, we think we met a most genial gentleman and good fellow to be with, and permit me to say that he expects to visit your coast this summer,

and in the event, I have suggested to him that "of all the sigh's" not to fail to visit the COAST REVIEW, and make the acquaintance of the editor. Since I wrote you last, only five Life Ins. Cos. have gone up, but these all took passage in one boat, and their sudden departure did not create much comment. It is generally believed that the "weeding out" process should be continued as long as there is any material to work upon.

The *public pulse* certainly has never been so excited on the subject of high Life Insurance as at the present time, and it simply beats the dickens, "Telephones" and blue glass how the people and the press are writing and talking about it. That august body called the Ohio Legislature seem to think it their duty to do something in the premises, whether in the direction of *wisdom* or *not*, and have therefore several bills introduced, none of which if passed would do the cause any *good*, and *all* of which if passed would drive every sensible and respectable company from the State, but it is scarcely expected that any action will be taken in them this session, but if they should, will send you a copy of anything that may pass. At a meeting of a committee of the Life Underwriters' Association of Ohio, here, a few days ago, the propriety of stopping legislation for this term, and getting a bill before the house to get the Gov. to appoint a commission to codify the insurance laws was presented to the Legislature and received a favorable consideration.

All of which is respectfully submitted until something else turns up among the
BUCKEYES.

—Brother Boruck's *Spirit of the Times and Underwriters' Journal* has had a new head put on it, and otherwise improved in appearance, the point to which is, that the *Spirit's* editor, Mr. Boruck, is advocating the claim of himself through the columns of said *Spirit*, for the position of U. S. Senator; hence the desire to make as good appearance as possible; and especially is this the case, when it is known that the *Spirit* will be the *only* supporter of its editor for said position.

The Sacramento Fire Commissioner's Report.

This is an age of novelties as well as progress, and, in some parts of the country, the former bids fair to outstrip the latter. Sacramento, for instance, has a set of fire commissioners who ought to be intrusted with the settlement of the vexed political questions agitating Louisiana and South Carolina. They do handle matters foreign to their mission so deliciously plausible—so ingeniously diplomatic, that the only wonder is such shining luminaries have been allowed thus long to be obscured by the proverbial bushel.

But hear them in their annual report to city trustees, March 5th, 1877 :

"There is one very important fact that we wish to call the attention of your honorable Board to, and through you, our fellow-citizens, which is, that we are paying too high rates of insurance (owing to the combination) on all property insured within our city, in proportion to the risk. No city in the United States is better protected against fire than we are. With a river at our front, and water supplied in inexhaustible quantity through the best known system—the Holly Water Works—with an efficient Fire Department, well officered and manned; with buildings comparatively small and well protected against fire; with broad streets and a foliage almost like a forest; a large conflagration is almost an impossibility. With these facts and advantages, our citizens have a right to demand less rates of insurance, and, if not conceded, then let our citizens carry a less amount of insurance upon their property, and thus save the heavy burden of taxation. None appreciate the advantages of our city against fire better than the managers or agents of our insurance companies, and they are reaping a rich harvest, as you will note from the following facts and figures :

"The total loss by fire from March 1st, 1876, to March 1st, 1877, was \$22,280. Amount of insurance actually paid on the above loss, \$7,580. Total amount of insurance on the property destroyed and damaged, \$40,850.

"From the very best and most reliable information we can get, our citizens are paying to the different insurance companies doing business in our city from \$20,000 to \$25,000 per month, or from \$240,000 to \$300,000 annually. Deduct the amount paid out by the insurance companies for losses last year—\$7,580—and you will readily see the very handsome profit left to the insurance companies. We appealed for aid to the different companies when negotiating for the construction of our telegraph fire-alarm, and their reply was : 'It is not within our province to do it.'

"It is now within the power of our citizens to protect themselves. Will they do it?"

The *closing* of the above paragraph furnishes the key to all this contumelious raid against the "Combination"—the underwriters refused to construct or assist in the support of the fire-alarm telegraph, and the Board thus seeks its revenge! The people of Sacramento we credit with more intelligence and are more enlightened as to recent history, than to accept this report or statement referred to. The city of Sacramento is *not* the best protected city in the United States against fire, or even approaching thereto; the Board evidently forgot itself when in this same report urging against the reduction of expenses, it said : "*The department at best is small* and to cut it down "while our city is steadily improving would "be suicidal." With all its "forests," (which is an exaggeration quite in keeping with the tenor of the whole article) "river in front," "buildings comparatively small," (ranging from one to five stories) "efficient fire department" (which "at best is small" [same report]), the city of Sacramento is quite as liable to general conflagration and large loss as was Portland, Vicksburg or Boston; it is folly to claim absolute immunity against large fires, because of such advantages, and if Sacramento has given her own protection the consideration claimed, so has the Board of Underwriters named rates commensurately advantageous, and will *continue* to make reasonable concessions when positively assured of the justness of such claims.

Up to three years ago, this same periodical howler after reductions in rates, caused insurance companies most extravagant losses far in excess of receipts. Sacramento was a cess-pool (in more ways than one) into which most companies saw their entire State profits emptied into; and yet with this balance still existing, Sacramento has enjoyed rates of a first-class insurance center.

As to the estimate of profit so patriotically distorted by this Board, in addition to giving the same *correctly*, we wish to revert in advance, to this fact. Any company doing business in Sacramento may anticipate a wiping out of their entire profit at any time, not only for one, but ten years to come, and the margin, if satisfactory in this, may not equal the loss of next year.

From reliable information Sacramento *proper* does not pay an average of \$10,000 per month *fire* premiums, but calling it this figure last year we have

Total premiums.....			\$120,000
Expenses of agencies.....			\$40,000
Losses.....			\$7,580
Adjusting expenses.....	1,500	9,080	49,080

Margin.....\$70,920

with which the companies must carry from *ten to twelve million dollars of risk until December 31st, 1877*. What a pitiful showing after all, and how doggedly ashamed this jaundiced Board of Fire Commissioners ought to be! It must be remembered that some companies having "branches" established at Sacramento, receive a revenue from these tributaries which the Board included in their estimate and which of course should not enter into same, and are not included in the figures we give above.

The companies have so often listened to charity appeals from towns, villages and cities, towards improving fire departments and water supplies, that it is not surprising that they should be called upon to aid telegraphic alarm schemes—indeed, this begging enterprise has been carried so far that Portland, Oregon, asked the companies recently to buy an old frame theater for its removal, as a dangerous exposure in a business block!

It is high time these small municipalities understood that insurance is a business, and

not a charitable institution. Otherwise we expect to hear builders asking donations to put up brick buildings, rather than frames, as reducing the hazard of towns seeking insurance. The Sacramento Board of Fire Commissioners have written themselves asses, and the public will hardly thank them for so ill-advisedly going beyond their legitimate sphere to blackmail that portion of the insurance profession they parenthetically term "combination." We do the Sacramento agents of non-board companies the credit of believing they had nothing to do toward influencing this discreditable report, although such a thing has been mooted. Aggressiveness of this kind is dishonorable, and at this particular delicate period of fire insurance affairs might prove the last straw, which, breaking the camel's back, would create a disturbance now unknown to the placid features of an under-cutting agency business.

Important Arbitration Case.

It not unfrequently happens that words of variable or obsolete meaning creep into insurance contracts and are continued without thought until custom or usage establishes a questionable or mistaken interpretation. The word "unmanufactured" for instance, as in the present case, elicited a great amount of wordy difference and resulted in arbitration. The case as presented to the arbiters is about as follows:

The State Investment, California and Commercial of San Francisco, and Fire Association of Philadelphia insured D. Calahan & Co. \$2,500 each, as follows: "On *mdse* hazardous and non-hazardous." The La Caisse Générale, of Paris, insures a similar amount, covering "yeast powder, soda, saleratus, cream of tartar, manufactured, *unmanufactured*, and in process," etc.

The latter company refused to admit that the word "unmanufactured" would cover or intended to cover materials, and that other minor items included in the adjustment was *not* covered by either or any of the policies. The case was energetically

and ably presented to the arbitrators appointed, by Messrs. Gunnison and Barnes for the affirmative, and Capt. E. E. Ryan for the negative, with a result in the following:

DECISION.

Claim of D. Calahan & Co. }
vs.
 Several Insurance Companies. }

The undersigned arbitrators, appointed by the interested companies in the above case to settle the apportionment in the case of the "French Co." (La Caisse Générale), find as follows:

That the word "unmanufactured" in the above policy is without any *modern lexical meaning* or definition; and, while introduced into policies of insurance, we regard the same *mere surplusage words, redundant and unnecessary*. As for example: household furniture, beds and bedding; wines and liquors; goods, wares and merchandise.

In all these customary policy phrases it is very patent that household furniture, liquors or merchandise is broad enough to cover the superfluities mentioned in this connection; and in the case in question, "unmanufactured and in process of manufacture," we believe to be synonymous terms, or repetition of each other—both meaning unfinished or at that point where some initiative step has been taken towards transferring a specific commodity or material into some different property. Especially do we deem this to be the case when the ingredient or material enters into the manufacture of *various subjects*.

It could not, in our opinion, be maintained that a policy covering "unmanufactured boots and shoes" would pay a loss on unbroken packages of leather, pegs, lining, etc., or that "unmanufactured clothing" would cover bolts of cloth and cassimeres before the tailor's shears had destroyed its originality.

We therefore expunge the word "unmanufactured" from the contract before us, believing there is no affinity between the word in question and materials raw and unwrought.

The items of dispute, summarized, we find as follows:

Argols.....	\$330.23	
Alum.....	4.20	\$334.43
Covered.....		
Empty cases.....	\$154.70	
Labels.....	26.50	
Flour.....	55.00	236.20,
Total in dispute.....		\$570.63

The two former articles we admit as covered by the French policy, on the grounds that the powdering of the crude materials was a *positive step in the "process"* of manufacture. We decide that the empty cans, labels and cases were not covered, inasmuch as the cans and cases were empty; and the item of labels belongs as much to expense account, for advertising, etc., as it does to the value of yeast powder.

In the case of flour, we ascertained that the original cases had not been disturbed, nor the commercial value of same changed a particle; and hence, we believe that the placing of the forty sacks of flour in the "drying-room" was not a step *positive* enough to call the process of manufacture *begun*.

In conclusion, we find the liability of the French policy to be as follows:

Loss on 2d and 3d floors.....	\$2,110.27	
Deduct amount not covered.....	236.20	\$1,874.07
Contributing Ins.....	\$10,000	
Less	\$236.20	
"Basement 2,107.67	2,343.87	
	\$7,656.13	Pays \$1,412.78
Liability French Corporation.....	461.29	
		\$1,874.07

W. L. CHALMERS,
 L. L. BROMWELL,

Arbiters.

The difference in dispute was not so much an object as the settlement of a principle, and we may now regard the future use of this unnecessary word somewhat checked in these quarters. We differ somewhat with the gentlemen who arbitrated the matter as to the definition of the word; the prefix "un" has a well-defined meaning, which, taken in connection with the balance of the word (manufactured) gives a definition not differing however from the point made by them, that if the word meant anything, it was another expression of "in process;" all of which may have been duly

Up to three years ago, this same periodical howler after reductions in rates, caused insurance companies most extravagant losses far in excess of receipts. Sacramento was a cess-pool (in more ways than one) into which most companies saw their entire State profits emptied into; and yet with this balance still existing, Sacramento has enjoyed rates of a first-class insurance center.

As to the estimate of profit so patriotically distorted by this Board, in addition to giving the same *correctly*, we wish to revert in advance, to this fact. Any company doing business in Sacramento may anticipate a wiping out of their entire profit at any time, not only for one, but ten years to come, and the margin, if satisfactory in this, may not equal the loss of next year.

From reliable information Sacramento *proper* does not pay an average of \$10,000 per month *fire* premiums, but calling it this figure last year we have

Total premiums.....			\$120,000
Expenses of agencies.....		\$40,000	
Losses.....	\$7,580		
Adjusting expenses.....	1,500	9,080	49,080
Margin.....			\$70,920

with which the companies must carry from *ten to twelve million dollars of risk until December 31st, 1877*. What a pitiful showing after all, and how doggedly ashamed this jaundiced Board of Fire Commissioners ought to be! It must be remembered that some companies having "branches" established at Sacramento, receive a revenue from these tributaries which the Board included in their estimate and which of course should not enter into same, and are not included in the figures we give above.

The companies have so often listened to charity appeals from towns, villages and cities, towards improving fire departments and water supplies, that it is not surprising that they should be called upon to aid telegraphic alarm schemes—indeed, this begging enterprise has been carried so far that Portland, Oregon, asked the companies recently to buy an old frame theater for its removal, as a dangerous exposure in a business block!

It is high time these small municipalities understood that insurance is a business, and

not a charitable institution. Otherwise we expect to hear builders asking donations to put up brick buildings, rather than frames, as reducing the hazard of towns seeking insurance. The Sacramento Board of Fire Commissioners have written themselves asses, and the public will hardly thank them for so ill-advisedly going beyond their legitimate sphere to blackmail that portion of the insurance profession they parenthetically term "combination." We do the Sacramento agents of non-board companies the credit of believing they had nothing to do toward influencing this discreditable report, although such a thing has been mooted. Aggressiveness of this kind is dishonorable, and at this particular delicate period of fire insurance affairs might prove the last straw, which, breaking the camel's back, would create a disturbance now unknown to the placid features of an under-cutting agency business.

Important Arbitration Case.

It not unfrequently happens that words of variable or obsolete meaning creep into insurance contracts and are continued without thought until custom or usage establishes a questionable or mistaken interpretation. The word "unmanufactured" for instance, as in the present case, elicited a great amount of wordy difference and resulted in arbitration. The case as presented to the arbiters is about as follows:

The State Investment, California and Commercial of San Francisco, and Fire Association of Philadelphia insured D. Calahan & Co. \$2,500 each, as follows: "On *mdse* hazardous and non-hazardous." The *La Caisse Générale*, of Paris, insures a similar amount, covering "yeast powder, soda, saleratus, cream of tartar, manufactured, *unmanufactured*, and in process," etc.

The latter company refused to admit that the word "unmanufactured" would cover or intended to cover materials, and that other minor items included in the adjustment was *not* covered by either or any of the policies. The case was energetically

and ably presented to the arbitrators appointed, by Messrs. Gunnison and Barnes for the affirmative, and Capt. E. E. Ryan for the negative, with a result in the following:

DECISION.

Claim of D. Calahan & Co. }
vs.
 Several Insurance Companies. }

The undersigned arbitrators, appointed by the interested companies in the above case to settle the apportionment in the case of the "French Co." (La Caisse Générale), find as follows:

That the word "unmanufactured" in the above policy is without any *modern lexical meaning* or definition; and, while introduced into policies of insurance, we regard the same *mere surplusage words, redundant and unnecessary*. As for example: household furniture, beds and bedding; wines and liquors; goods, wares and merchandise.

In all these customary policy phrases it is very patent that household furniture, liquors or merchandise is broad enough to cover the superfluities mentioned in this connection; and in the case in question, "unmanufactured and in process of manufacture," we believe to be synonymous terms, or repetition of each other—both meaning unfinished or at that point where some initiative step has been taken towards transferring a specific commodity or material into some different property. Especially do we deem this to be the case when the ingredient or material enters into the manufacture of *various subjects*.

It could not, in our opinion, be maintained that a policy covering "unmanufactured boots and shoes" would pay a loss on unbroken packages of leather, pegs, lining, etc., or that "unmanufactured clothing" would cover bolts of cloth and cassimeres before the tailor's shears had destroyed its originality.

We therefore expunge the word "unmanufactured" from the contract before us, believing there is no affinity between the word in question and materials raw and unwrought.

The items of dispute, summarized, we find as follows:

Argols.....	\$330.23	
Alum.....	4.20	
Covered.....		\$334.43
Empty cases.....	\$154.70	
Labels.....	26.50	
Flour.....	55.00	236.20
Total in dispute.....		\$570.63

The two former articles we admit as covered by the French policy, on the grounds that the powdering of the crude materials was a *positive step in the "process"* of manufacture. We decide that the empty cans, labels and cases were not covered, inasmuch as the cans and cases were empty; and the item of labels belongs as much to expense account, for advertising, etc., as it does to the value of yeast powder.

In the case of flour, we ascertained that the original cases had not been disturbed, nor the commercial value of same changed a particle; and hence, we believe that the placing of the forty sacks of flour in the "drying-room" was not a step *positive* enough to call the process of manufacture *begun*.

In conclusion, we find the liability of the French policy to be as follows:

Loss on 2d and 3d floors.....	\$2,110.27	
Deduct amount not covered.....	236.20	\$1,874.07
Contributing Ins.....	\$10,000	
Less	\$236.20	
"Basement 2,107.67	2,343.87	
	\$7,656.13	Pays \$1,412.78
Liability French Corporation.....		461.29
		\$1,874.07

W. L. CHALMERS,
 L. L. BROMWELL,

Arbiters.

The difference in dispute was not so much an object as the settlement of a principle, and we may now regard the future use of this unnecessary word somewhat checked in these quarters. We differ somewhat with the gentlemen who arbitrated the matter as to the definition of the word; the prefix "un" has a well-defined meaning, which, taken in connection with the balance of the word (manufactured) gives a definition not differing however from the point made by them, that if the word meant anything, it was another expression of "in process;" all of which may have been duly

considered by them. In either event it is much better, if we mean materials, to say so plainly, and avoid the use of ambiguous words in these important contracts, which should always be plain, concise and capable of but one construction.

The New York Life Insurance Company.

The thirty-second annual report of this old and thoroughly-tested institution is before us, and coming, as it does, in the midst of failures and wrecks of smaller companies—showing an accumulated fund of over THIRTY-THREE MILLIONS, with a *net* surplus, calculating its reserve at the New York standard ($4\frac{1}{2}$ per cent. interest) of over \$5,000,000—we welcome it and point to it with pleasure as another striking proof that the system of life insurance is *not* a failure, and that *all* companies are *not* on the verge of destruction, as some of our *co-operative* shysters would have us believe. Here is a company, thirty-two years old, with over \$33,000,000 accumulated assets, *all* of which belong to its members;† with an annual income of nearly *eight* million dollars, and an annual disbursement to policy-holders of about \$4,500,000.

The New York Life seems to have been most fortunate from its birth in being in the hands of and managed by honorable men, with business ability; men who run the company *for* the company, which is its members. With economy in its management, the prompt fulfilment of its contracts with its members, judicious investments and a proper regard for the funds placed in its hands, the New York Life has won for itself an enviable reputation, and stands to-day among the leading financial institutions of the country, fully able and willing to stand on its merits, demonstrating, with the strongest possible evidence, that the failure of companies is in no way the fault of the system, but must be attributed to ignorance of the legitimate principles of life insurance, coupled, in many cases, with dishonesty and fraud. This company, and many others, have given abundance of evi-

dence of their ability to meet every obligation, even in the dull and financial failures of 1873.

It was this and the succeeding three years that tried the strength of *all* classes of moneyed institutions, and it is a matter of history that during these four years of financial depression there were a *less* per centage of failures among the life insurance companies than any other branch of business. Banks failed, wholesale merchants failed, and business men of all classes, and institutions of all kinds went into bankruptcy by the thousand, and with all this, four or five *fourth-class* life insurance companies were compelled to succumb, and because of this a great hue and cry is made by a certain class of our daily press until they would have the world believe *all* life companies were about to go down, when the truth is that that class of companies worthy the name is *stronger* and on a more firm foundation than ever before. That the dull times of the past four years has had its effect on all companies, we are willing to admit, yet on the other hand it has had the effect to bring even the older heads to realize the necessity of preparing for a rainy day; about *fifteen* or *twenty* of our better companies have done this to the entire satisfaction of the public. Among these we know of none that has met the emergency with more flattering results than the subject of this article. The assets of this company are of a first-class character, and we can do no better than invite a careful perusal of its financial exhibit, to be found in our columns.

Superintendent Urquhart—Charges of Incompetency and Misconduct by one Frank Wood—An Investigation Demanded.

Some little time back, charges of the gravest nature were made to the Board of Supervisors by a Mr. Wood, an operator in the Fire Alarm Telegraph office, against Superintendent Urquhart, which were referred to the Fire and Water Committee. There the matter seems to have been quietly dropped, for no report has emanated from

the committee, and no examination, worthy of the name, has been had, so far as we can gather.

Finding that he was not likely to obtain a fair hearing, Mr. Wood endeavored to interest the Board of Fire Underwriters in the question (one which he believed to be of vital importance to them), by applying to the members of the committee of that organization on Fire Department, Water Supply and Fire Ordinances. These gentlemen declined to interfere in what, at first sight, looked like a private quarrel between the Superintendent and one of his subordinates, until convinced by the statements of Wood and others, who were in a position to know whereof they spoke, that good grounds existed for believing that the Superintendent, on whose skill, care and vigilance, the safety of the city so largely depends, had clearly been guilty of serious mismanagement and misconduct. The subject was reported to the Board at a special meeting, and the committee instructed to address a communication thereupon to Mayor Bryant, inviting an investigation. The communication, signed by Mr. Edward Brown, chairman of the committee, was read to the Board of Supervisors at its session of March 25th, and was, by resolution, referred to a joint committee composed of the members of the Finance and Fire and Water Committees.

We understand that an investigation is to take place during the first week of April, one, we trust, which will be thorough and complete; and, if it shall be found that the complaints made are substantiated by the evidence, we shall expect the Board of Supervisors to apply a prompt and satisfactory remedy. The people of San Francisco will be content with nothing less. They understand that only by the early attendance of our Fire Department at each and every fire can this wooden city be preserved from destruction, and they are also aware that this can only be insured by the vigilant and correct working of the Fire Alarm Telegraph. A failure to receive a report, negligence in repeating an alarm, may, in either case, be the means of a terrible conflagration; and there is no position within the control of the

city authorities which calls for the exercise of the qualities of close attention, perfect sobriety and a thorough knowledge of its particular duties than the office of Superintendent of the Fire Alarm Telegraph. We are glad to know that our fire underwriters appreciate this fully, and that they have in a dignified and respectful manner, insisted upon an examination of the charges alluded to. They represent the capital which alone can rebuild San Francisco, should it unfortunately ever be destroyed by fire. The safety of the city and the interests of their employers demand that they should be watchful and at no time hesitate to bring before the notice of the city Government any abuses or imperfections which they may become cognizant of. In doing so they will receive the hearty support of every sensible man in San Francisco.

Commissioner Foard's Report.

Insurance Commissioner J. W. Foard has issued his preliminary annual tirade on life insurance companies. There is nothing else in this report except what was published in the February number of the REVIEW. This wise (?) commissioner refers to a recent decision in the United States Supreme Court in justification of one section of his law which drove nearly all the respectable companies from this State. Foard says:

"Remembering the air of injured innocence assumed by certain life insurance companies composing the Chamber of Life Insurance, and that withdrew from legitimate business in this State on the passage of the Act adding Section 451 to our Civil Code, March 30th, 1874—as also, the coarse abuse of our Legislature and the Insurance Commissioner, indulged in by a portion of the so-called insurance press because of said enactment—it affords me great pleasure to cite a recent decision of the Supreme Court of the United States, more than affirming the justice of our law."

Here he gives the courts' decision which he refers to as "more than affirming the justice of our law," and then contradicts himself and denounces his *pet* section in the following frank manner:

Our law—Section 451—is inequitable, as applied to the several varieties of policies, in this, that upon the surrender of a plain life policy, in its earlier years, the insurer is required to return

to the insured a *larger* amount than is justly due him; whereas, upon the surrender of the same description of policy, in its later years, as also upon the surrender of an "endowment" or short-term policy, it accords to the insured *less* than is his just due.

The above is really good, and only further illustrates and more conclusively proves our repeated statements that this man Foard is a *consummate ass*, and knows nothing whatever about life insurance, or any other kind of insurance. That this Section 451 "is inequitable," was fully demonstrated to Foard when he so strenuously advocated its passage, and the fact that it is "inequitable" was the principal reason why the companies belonging to the Chamber of Life Insurance refused to comply with the law. Foard, after making the above acknowledgment, proceeds to suggest to "his excellency," that Section 451 should be amended to conform to the decision of the U. S. Supreme Court, and also suggests several other amendments to our laws. We now submit whether or not his suggestions are worth anything, after what has transpired during the five years of his administration.

W. A. Walker.

As stated in our February number, we found the card of W. A. Walker on our table, which read: "W. A. Walker, *Insurance Herald*, Chicago," and we asked Mr. Walker to call again and inform the REVIEW whether he was of Rollin's *Herald* or Yeager's *Herald*, but Mr. W. has not put in an appearance as yet; and, from the following card published in the *San Francisco Chronicle*, a few days ago, it appears that he is representing himself in this city as managing editor of the *Chicago Tribune*:

W. A. WALKER.

To the Editor of the *Chronicle*—SIR: I am informed that a person calling himself W. A. Walker, claiming to hail from Chicago, is sojourning at California at the present time, and representing to credulous people that he is the managing editor of the *Chicago Tribune*, and through this representation is receiving many courtesies from your very hospitable people. I desire to state through the medium of your widely-circulated journal, that Mr. Walker is not now, and never was, connected with the *Tribune* in any capacity whatever. The only legitimate repre-

sentatives of the *Tribune* at present on the Pacific Coast are Charles Northrop and E. H. Plummer. By giving this card an insertion in the *Chronicle* you will greatly oblige,

Yours respectfully,

S. J. MEDILL,

Managing Editor *Tribune*.

Chicago, March 7.

The strong presumption is that this Walker is one of those fellows that "no fellow can find out" just what he does represent, and our only object in publishing the above card is to call the attention of our underwriters to this Mr. Walker, as we learn from a private source that he has had considerable of a certain kind of *experience* in the insurance business East, and will most likely look out for a berth in that line here, and our advice would be to give him a wide one.

H. H. Blake.

H. H. Blake, the man of Continental Life Insurance Company notoriety in this city, came to the front a few weeks ago with another of his characteristic explanations, concerning his connection with the Continental swindle on this coast in 1875. In a letter to the *S. F. Chronicle* of March 12th, Blake makes the excuse for his connection with the robbery, that he was at the time engaged in a very lucrative business to leave which and engage in the Continental matter, it was necessary for him to receive that compensation which was paid to him by the Frost-Hammond crowd. This is all very well, but what excuse has he got to offer for deceiving the old policy-holders by giving them a new term policy in a company which he said at the time, and still says, was *hopelessly insolvent*, and charging for the said term policy regular mutual rates, or about 100 per cent. more than regular term rates? Will he also explain the justice of persuading one class of policy-holders to surrender their policies for less than half their value in order to make the company strong enough to meet its obligations in full with another class? The receiver of the Continental thinks he will be able to return to policy-holders about 50 per cent. of the amount due them. Now, we ask Blake whether or

not the receiver could not have declared a much larger dividend than 50 per cent. if he had the \$25,000 which he (Blake) received and the two or three hundred thousand which Frost, Hammond and the other thieves engaged in the swindle received? These points need explanation, and before Blake attempts to deceive his friends and the public with that innocent smile of his, it would be in order to explain the whole transaction; let the public know just how much he *did* receive and the amount divided among his confederates.

In all of his letters, Blake carefully avoids the main issue, merely ascertaining his innocence, but fails to give particulars. Altogether, we are constrained to pronounce this man Blake one of the *worst* of the gang of Continental wreckers; a man fully capable and willing to engage in *any* conspiracy when there is "millions in it," and bold enough to stand before his victims and flatly deny all *intentional* dishonesty.

R. H. MAGILL.

It is an unpleasant duty to make personal strictures in the press columns, and unless the case is a *very* aggravated one, the REVIEW invariably glides over the sins and shortcomings of the profession, leaving the wayward to the chastisement of their own consciences. But there has been for years a sneaking practice on this coast of disseminating anonymous literature against companies and competitors, which, if not absolutely false, is perverted or garbled into positive libels; and this trashy defamation sent broad-cast over the whole coast requires, to our notion, a vigorous protest, even to publicity. This kind of foulness, we have often reverted to in this paper, and threatened exposure if the guilty did not cease this most detestable of artifices; and in the present instance we wish it distinctly understood, the editor is actuated by no malice towards the party herein mentioned, nor has he any personal grudge to gratify—simply a desire to check as far as possible the traducing tendencies of

ROBERT H. MAGILL,

the general agent of the Home Mutual Insurance Company, to whose door we lay the authorship and dispersion of the following thrust at the Royal Canadian Insurance Co., recently sent in circular form over the length and breadth of this section:

"INSURANCE(?) !!!

Extract from a recent exchange:

ROYAL CANADIAN INSURANCE COMPANY.

"To the Editor of the * * * * :—SIR: I observe from the report of yesterday's proceedings in the Dominion Parliament, that Mr. Jette presented a petition of the Royal Canadian Insurance Company for leave to reduce its capital stock from \$6,000,000 to \$2,000,000. The last report of this Company shows that 53,251 policies were issued, covering a gross amount of \$141,297,150.00. In view of this, is it right to lessen the security to the insured by reducing the capital?"

"JUSTICE"

Extract from the February number of Insurance Monitor, of New York.

"The Royal Canadian Insurance Company recently determined to make a call of five per cent. on its six million *subscribed* capital. * * * The latest report from Canada is, that the stock-holders will not pay the assessment."

Mr Magill's Oakland office, like the one he formerly presided over in this city, is a regular store house for this kind of underhanded, cowardly innuendoes, first at one company, and then at another. As soon as we received the sample referred to above, we sent several parties to this chronic Bohemian's office for further supplies, and they came promptly. If this was an exceptional case, we would feel very different about the matter, but as a moderate sample of a few thousand just such poisonous productions by the same author, we append the following extracts, calling attention to the fact in advance, that the company at present employing him received its full share of this same nauseous medicine, prior to his connection with them, and it is in our power to reproduce many of the most scandalous he has so zealously scattered.

STAB NO. 1.

"A TRULY BENEVOLENT INSTITUTION.

"A LONG FELT WANT SUPPLIED.

"A NOBLE CHARITY.

THE

"Hoodlums' Mutual Insurance Company."

[Here follows a burlesque prospectus and then a sneering account of the insurance situation as follows:]

"A free fight and no favors is now the condition of the insurance field, and at it the companies went, tooth and toe-nail. Although the Hoodlums' was dead and buried, its memory was still dear to its directors, who laid low until a proper time should come to bring it before the public again. Quarrels being now the regular routine of the business, it is not to be wondered at that even the officers of the 'Peaceful Insurance Co.' fell out among themselves and Hiram Brass the general agent of the company, got the worst of it. The directors of the deceased 'Hoodlum's' made a break for him at once. This was nuts to Hiram, who had a grudge to satisfy; he saw his chance, sold himself to the Hoodlums', drew up a prospectus, and started out with a grand flourish of trumpets. This feat of disinterring a dead corporation, and setting it going again on the same plan which had originally killed it, was so novel and startling that it increased Hiram's notoriety immensely—without, however, adding to his reputation—and gained for him the nick-name of 'Hiram the Resurrectionist.'"

But the circular is quite familiar to this coast, and the above is quite sufficient to illustrate the sickening stuff of seven pages, which we know positively R. H. Magill was responsible for, and mailed them over the country by the dozens.

No. 2.

Notice.

The exercises of Col. T. H. Monstery's Gymnasium, Fencing and Sparring Academy, are for the present discontinued, owing to the damage sustained by the fire on Saturday, March 15th. The classes will be resumed as soon as a settlement is agreed upon by the undersigned and the Fireman's Fund Insurance Company, of which due notice will be given.

COL. T. H. MONSTERY.

The above card is cut from the *Bulletin* of the 27th March, and goes to prove that the "local companies" begin to find out that

"prompt payments," in every instance, are not healthy.

None better than our local companies know with what persistence and unremitting zeal this scribbler flooded the country with his anonymous attack on California companies. Out of many, we pick the following:

No. 3.

On the Down Grade.

If figures do not lie, the success of the local "Union Insurance Company" in the business of under-writing, during the last six months closing with June, has been such as to clearly demonstrate the fact that they must mend their ways and rates, or come to early grief.

Surplus reported January 1st, 1867.....\$142,935
Surplus reported June 30th, 1867..... 120,374

Gain over the left..... \$22,561

These figures show that the premiums and interest received for the six months ending June 30th, 1867, fell short of meeting expenditures \$22,561! Still, on this healthy (?) exhibit, if we are not mistaken, a dividend of \$45,000 was declared, reducing surplus to \$75,374, with which to reinsure about \$20,000,000 fire and marine risks in force. It is not to be wondered at that Union stock finds slow sale at 95 cents on the dollar. We would not like to invest at half the figure.

No. 4.

Down! Down!! Down!!!

Insurance stocks last week were quiet, very few sales being made outside of the Board. In the Board 40 shares of National Insurance were sold at 67; the same was subsequently purchased at 68. *The shares of the Builder's and the Home Mutual are quoted at par on the amount paid in* (as we have never seen a quotation it is evident nothing has been paid in.—Ed.). Union can be bought at 95; Pacific continues firm.—*Bulletin*.

Below we present the market value of nine of our local insurance companies on the 3d of November, 1866, and 6th August, 1867, that our readers may appreciate their crawl-fish growth in the estimation of stockholders:

	3d Nov., '66.		5th Aug., '67	
	Bid.	Asked.	Bid.	Ask'd
Pacific.....	170	172	129	131
Fireman's Fund...	109	111	92	93
National.....	74	75	67	69
Occidental.....	...	98	87	90
San Francisco.....	...	130	127	130
Union.....	124	125	92	95
Cal. Home.....	89	92	...	...
Home Mutual.....	...	...	...	...
Builder's.....	...	...	...	...

* Equivalent to "par on the amount paid in," we presume.

No. 5.

Local Insurance Stocks.

For the past two months our daily papers in their "stock reports," have failed to include our local insurance companies, as was the custom when the stocks were up to or above par, and it is but proper to presume the officers of the companies, failing to appreciate the benefits to be derived from letting the insuring public know that their paper was not deemed good for its face in this market, have figured to have their names erased from the reports. The *Bulletin* of the 28th ult. favors us with the following item of interest to the insuring public:

While nearly all descriptions of the city stocks are firm, and more or less active, local insurance shares continue dull, and prices are generally weak. Since our last similar reference, one week ago, quotations have undergone no changes, and are therefore as follows:

	Bid.	Asked.
California.....	145	150
Fireman's Fund.....	94	95
Merch. Marine.....	85	90
National.....	87	69
Occidental.....	85	90
Pacific.....	129	131
San Francisco.....	90	95
Union.....	93	95

These figures represent the prices for \$100 worth of stock in the Companies named. With the exception of a sale of 150 shares of National, at the Long Room, last Saturday, there have been no public transactions in the above stocks during the week; nor, so far as we can learn, have there been any sales from private hands. California can hardly be considered in the market, being well concentrated and held with tenacity. Fireman's Fund remains steady. The recent improvement in Merchants' Mutual Marine is maintained. National is firmer, in consequence of a slight reaction in Government securities, on which the capital of the company rests. *Occidental, though nominally held at 90, can be had for 87 1-2.* The last sale of Pacific was made at 130; it can hardly be obtained now for less than 131. *San Francisco meets with no inquiry,* and the quotations are therefore entirely nominal. Union is firm at the figures given. Home Mutual can be had at *par on the amount paid in, which is we believe 20 per cent.* Builders' (now fully paid up) is quoted at 79 bid and 100 asked. This stock is now fairly in the market. There are rumors that another company, similar in some of its features to the Builders, will soon be incorporated. It is thought that a company with a capital of from \$50,000 to \$100,000 conducted at one-half the expense of the larger companies, could be made successful, notwithstanding it is the generally conceded opinion that the insurance business of the city is now overdone.

It is reported to day (30th) that Fireman's Fund is offered at 92 cents, and Home Mu-

tual at 80 cents on amount paid in, or say \$80 for every \$500 worth of stock.

Then we have not forgotten the verbiage, titled Chapters I (15 pages), II (15 pages), III (8 pages), on Fire Insurance, also, "Local Insurance Companies" (8 pages), also "Hints to the Insuring Public" (8 pages), all aimed (anonymously) at our State companies in a most reckless and absurdly extravagant style, copies of which we have collated from among the various offices in this city, who have positive proof of their original source. The following extract indicates the general tenor of all these scurrilous pamphlets:

"A MERE LOCAL INSURANCE COMPANY IS NEVER SAFE. In the hour of extreme need it necessarily fails. But if an insurance company is well conducted on an extensive scale, and if it be large enough, it cannot fail, happen what may. TAKE WARNING, THEREFORE, FROM THE MANY SUFFERERS FROM LOCAL COMPANIES, and though you have to pay a fair rate, insure in an institution of magnitude, undoubted reputation and national usefulness, and it will not fail you in the day of need and extremity."

These thrusts have not been confined to Locals; on the contrary, there is hardly a company or agent in this city who has not in the past suffered more or less at this man's hands. For example, here is

No. 6.

European Companies of the Harlequin Style.

By reference to *Barnes' New York Reports* for 1868, we find that the *London and Liverpool and Globe* is credited with a capital of \$1,896,076.68! and \$6,565,385.85 net assets! Where are the "millions and tens of millions pounds sterling" that are talked about and aired in handbills scattered throughout the Pacific States? They are evidently on and in paper.

The *North British and Mercantile Insurance Company* is chalked down by the same authority as having a capital of \$1,216,666.66, and net assets of \$3,182,916.62! which figures vary somewhat from the tens of millions of capital and huge assets that the solicitors of the company and clerks in the agent's office brag about, when they are trying to excuse themselves for taking \$100,000 risks in single buildings!

Referring to the sworn statement of the latter company, we find the following singular items under the head of "Liabilities:!"

Borrowed money due and to become due.....	\$ 374,083.28
Amount of all other claims against the company, consisting of Government duty, <i>San Francisco dividend prepaid, accounts due at Montreal and London, and losses paid by agents, accounts not yet rendered</i>	235,536.25
Total amount of life liabilities as per life statement Dec. 31st, 1896.....	9,498,093.50

While under the head of "Expenditures" we find:

Amount paid for interest on borrowed money.....	\$17,834.48
---	-------------

Now, we would like to know what an *immense* (?) and wealthy corporation has to do with borrowed money, and why pay interest when they should be receiving the same? The "Metropolitan of New York" made similar figures and statements a few years ago, when represented on this coast by J. Fowler. They then talked about *millions*! Now the company brags of a capital of \$300,000, with very moderate assets. The Imperial Insurance Company, another of the "millionraies of London," has at last made compliance with the laws of New York, and, strange to say, this act has opened the eyes of the American people to the fact that this "Imperial concern" does a business on a paid-up capital of \$600,000! Superintendent Barnes, after furnishing the figures as above, closes with a very pointed and important item, to be considered by American patrons of these concerns: "All the English companies transact a life business also in connection with their fire underwriting, and their paid-up capitals and surpluses are, of course, pledged also for obligations in their Life and Annuity departments."

"Tis not all gold that glitters."

The Liverpool London and Globe, Commercial of San Francisco, Hamburg-Bremen, State Investment and others, all received proper and energetic attention in this manner from the same pen, and our only wonder is, when did he get the time to devote to this kind of pastime except at night, which we confess is the usual and appropriate time for back-stabbing and assassination. We have given this subject more time and space than we intended, or that good taste might suggest when dealing with such loathsome affairs, but in conclusion will add, such acts and their suppression all men and all companies are equally interested in, and we will be borne out in saying that gentle tapping won't answer—nothing short of a square knock-down, and from the shoulder. We hold R. H. Magill responsible for the past,

but in future we conceive it our duty to also hold the company employing him as equally guilty and willing to prosper at the expense of the slandered. We are not the special champion of the Royal Canadian, nor do we intend any reflection on the Home Mutual, with whom this man is at present acting in an important capacity, believing that the honorable gentlemen forming its executive management will at once put an estoppel on this kind of mean, cur-like transactions, which in the long run, rebound to the company's injury countenancing it. R. H. Magill's character is so vulnerable that we are surprised at his further indulgence in spiteful warfare like this; and if continued, must inevitably bring down upon him the combined wrath of his abused associates.

Let us hear no more of this slimy business, or we will take up this rebuke, which we have put as mildly as human nature will admit of, and throttle the slander huckster next time unsparingly, be he who he may, or aimed at whatever company or individual.

A Bungled Fraud.

AN INSURANCE COMPANY CONCEIVED,
BORN AND STRANGLED WITHIN
A MONTH.

About the first of December, the printing house of Benj. Dore & Co., of this city, received the following letter:

"Batavia, Nov. 27th, '76.

"Mr. Benj. Dore & Co.—Inclosed please find manuscript for Personal Property Policies. Print on writing paper, 12x16 in. Print \$5's worth. Gilt the farm cut. Send them to Prof. L. Lillard, traveling agent, Dixon, Cal., who will pay charges,

"Yours, etc.,

"WM. H. TIMOTHY,

"Gen. Traveling Agent."

To which brief, pithy, and satisfactory (?) order the printing house replied to the "Professor" in substance, that the job would cost \$10, one-half in advance as deposit, which being duly received, 200 copies of the following were sent forward to the "Professor," or general traveling agent:

THE GREAT
AMERICAN INSURANCE COMPANY,
CHICAGO, ILLS.

No. <input type="text"/>	Here is the identical cut of the California Farmers' Mutual Ins. Co.—Bulls, Cows, Sheep and Hogs in group.	Premium \$ <input type="text"/>
--------------------------	--	---------------------------------

"THIS POLICY witnesseth: That 'The
'Great American Ins. Company,' in con-
sideration of the payment of _____ an-
nually, Insures against Fire, _____ prop-
erty of the following description _____
"

"Insurance begins _____, 187—, and
ends _____, 187—.

"RULES.—ONLY TWO-THIRDS THE VALUE
OF PROPERTY INSURED. ONLY TWO-
THIRDS OF LOSS BY FIRE PAID. ONLY
FARM PROPERTY INSURED. ONLY THIRTY
DAYS' NOTICE WANTED FOR PAYMENT OF
ALL LOSSES.

"In witness whereof, we have hereunto
set our hands and seal this the _____ day
of _____, 187—.

"_____, President. _____, Secretary."

This man Timothy and Professor Lillard are one and the same person, and the scheme choked off almost at its birth, was not soon enough to prevent some fifteen credulous fools being induced to take policies and pay their premiums therefor.

The California Farmers' have fortunately lost (in its very incipency) a prodigious competitor. The cut stolen by this great Western bilk, embellished in gold, was a stroke of fine manœuvering, and deserved its short-lived success. The Grand Jury of Solano County should now take up this enterprising Professor, and lodge him where he belongs; his confession below is evidence enough to convict:

"Isleton, Sacramento Co., Cal.,
"April 3d, 1877.

"I met a man by the name of Wm. H. Timothy. He gave me \$5 to pay for the blanks; I paid \$10; got them of Dore & Co. I was to receive the first year's premium, and remit all premiums after that. I sent the numbers to Chi-

cago to the secretary. Mr. Timothy gave me the names, and I filled out the blanks and signed the names of President and Secretary myself. I had no writing from Mr. Timothy, but he told me to sign. I have issued seven policies in all.

"LAFAYETTE LILLARD."

And thus departeth glory, and thus are great enterprises nipped in the bud. The "Professor" bungled his fraud most outrageously.

New England Mutual Life Insurance Company.

We have received the thirty-third annual report of the New England Mutual Life Ins. Co. of Boston. From the financial exhibit of this old New England institution we have the strongest evidence of a healthy and prosperous company; evidence unmistakable that the company is now, and always will be—if we judge the future by the past—fully able to meet its every obligation in full. The company presents a list of *unexceptional* assets, amounting in the aggregate to \$14,193,866.60, or, after deducting dividends declared and unpaid, death claims reported but not due, endowment claims due, we find *net* assets of \$13,871,040.81. The New England received in premiums last year \$1,996,286.84, and for interest, \$804,531.47, making a total income of \$2,800,818.31. The company paid to policyholders last year, for death claims, matured endowments, surrendered policies and dividends, the sum of \$2,159,463.87. The death claims paid were \$806,462, only about \$2,000 more than interest receipts. The total expenses of management last year, including taxes, commissions to agents, salaries, medical fees, advertising and printing, were only \$287,650.12. The company, notwithstanding the extreme dullness of the times, issued seventeen hundred and ninety-one new policies in 1876, insuring \$4,754,646. The number of policies outstanding on the first of the present year was 20,235, insuring nearly \$60,000,000. The present liabilities of the company, including re-insurance reserve, is \$13,293,183.31, which, deducted

from its net assets, leaves a clean surplus of \$577,857.50.

During the thirty-three years of the company's existence it has issued policies to the amount of \$150,000,000 upon 55,000 lives, and has paid in death claims and endowments \$10,600,000. It has returned to its members more than \$7,000,000 in surplus, the whole forming a record which is a guarantee of continued prosperity.

Wallace Everson, general agent for this company on the Pacific Coast, with office at 313 Montgomery Street, has, during his many years of labor in this field, returned to his company a very satisfactory business, and in turn the company has promptly met all death claims, matured endowments, and paid satisfactory dividends to his many customers. So well has this been done, that Mr. Everson reports few lapses. Notwithstanding the general scare caused by the downfall of a few rotten concerns, the policy-holders of the New England Mutual, as well as those of many other old and reliable companies on this coast, exhibit no anxiety about their interests, but come forward and pay up the renewal premiums without a murmur.

Union Mutual Life Insurance Co.

We have received from the home office a very neatly printed and conveniently arranged pamphlet, containing the twenty-seventh annual report of the Union Mutual Life Insurance Co. It seems that the new president, Mr. De Witt, has in the midst of these shaky times, cut down the assets of his company to a figure which leaves no margin for possible falling off of values in the future. This kind of proceedings is so at variance with the practices of any moneyed institution, yet, the thing most needed at this time, that we congratulate Mr. De Witt on his pluck. The inflation process is more common in the statements of companies than the "trimming" process. Concerning this new statement we can do no better than reproduce the following extract from an editorial in the *Insurance Times* for March, which we heartily endorse:

"Truth is stamped on all the company's figures. As the Commissioners of Maine and Massachusetts testify in their report, its assets, \$8,129,925.68, are given, not at the *maximum*, but at the *minimum* estimate. Every item has a sterling ring, and is redolent of healthful soundness. It is steadily increasing its amount of United States, State and city bonds, and all the real estate it owns, or on which it has loaned on bond and mortgage, has been freshly and carefully appraised by the most competent local adepts. All the agents' balances in any respect doubtful or much in arrear, are stricken out of the list of assets and carried to the profit and loss account. The reinsurance fund is calculated according to the Maine and Massachusetts standard of 4 per cent., instead of that of $4\frac{1}{2}$, established in New York; the former giving the company, after making all the reductions to which we refer, a surplus as regards policy-holders, of \$148,716.80, and the latter, adopted by most companies, increasing its surplus as to policy-holders to \$722,236.80. This is a statement in which truth reigns throughout, and in which the management has left no room for anything except solid growth in strength and magnitude in time to come."

The Union Mutual is represented on this coast by Messrs. H. H. Johnston & Co., who have given a good account of themselves, having the third largest business on the coast.

The Oakland Transcript and our Insurance Laws.

The *Oakland Transcript* has an editor who knows even less about insurance matters than the average editors of daily newspapers, and that is putting it pretty strong. In a recent issue of this Oakland "illuminator" the editor indulges in some interesting comments on the recent failure of life insurance companies, and after giving the names of those lately placed in the hands of a receiver, he gets off the following: "There was a great hue and cry made against the law passed by the Legislature of California a few years ago requiring foreign insurance companies in this State to make a deposit of State or

United States bonds, in a certain amount, for the protection of the insured. It was said that it would drive business out of the State. The law *did* drive out the wild-cat business, and saved the people of this State thousands of dollars. All the wild-cat companies had offices in San Francisco; but when this law was passed they had just got up and dusted, leaving the responsible companies to do the business."

The above is a fair specimen of the knowledge of the average newspaper scribbler about life insurance matters.

In the first place there never was a bill introduced compelling life companies to make a deposit in this State. No such bill ever passed; and the Continental was the only wild-cat that had an office here at the time referred to, which was three years ago last January, when a law *did* pass the Legislature and received the signature of the governor, which was so *thoroughly* unjust and infamous that nearly all respectable companies left the State, and which law gave to the wild-cat Continental a first-class opportunity to freeze out, and swindle all its policy-holders here who listened to the treacherous tongues of H. H. Blake—the man who had been instrumental in beguiling them into the company—and S. U. Hammond, a professional wrecker.

The respectable companies, while they *could not* in justice to policy-holders of other States comply with this unjust and unconstitutional law, yet they have for three years extended every courtesy to their policy-holders on this coast, and are doing so to-day. The ignorance of such men as the editor of the *Transcript* and Commissioner Foard of the subject of insurance, is the principal cause of the hardships of policy-holders in this State, even in the wild-cat companies, and has deprived many a man from making that necessary provision for his family, a life insurance policy in one of our old and responsible companies. Before the *Transcript* man makes himself out an ass the second time he had better post himself a little on the subjects about which he attempts to write.

A Record,

Showing the aggregate monthly payments of Policy claims by companies belonging to the Chamber of Life Insurance, for two years and eight months :

Month.	No. Cos.	Death Claims.	Endowment Claims.	Total.
April, 1874.....	26	\$1,475,377.88	\$55,168.13	\$1,530,546.01
May, 1874.....	26	1,572,414.16	57,766.89	1,630,181.05
June, 1874.....	26	1,433,982.95	53,687.79	1,487,670.74
July, 1874.....	26	1,440,810.58	51,037.26	1,491,847.84
August, 1874.....	26	1,280,112.23	102,538.14	1,382,650.37
September, 1874.....	27	1,411,280.54	123,428.07	1,534,708.61
October, 1874.....	29	1,383,715.91	67,962.22	1,451,678.13
November, 1874.....	29	1,388,821.37	72,955.55	1,461,776.92
December, 1874.....	29	1,455,796.50	138,719.88	1,594,516.38
January, 1875.....	29	1,540,374.47	157,337.37	1,697,712.04
February, 1875.....	28	1,449,016.97	84,032.27	1,533,049.24
March, 1875.....	28	1,736,496.03	119,793.72	1,856,289.75
April, 1875.....	28	1,746,847.05	82,272.28	1,829,119.33
May, 1875.....	27	1,700,508.59	95,450.71	1,795,959.30
June, 1875.....	27	1,815,900.21	111,576.68	1,927,476.89
July, 1875.....	27	1,633,134.38	114,140.45	1,747,274.83
August, 1875.....	27	1,691,067.20	129,009.54	1,820,076.74
September, 1875.....	27	1,602,158.70	157,673.36	1,759,832.06
October, 1875.....	27	1,401,150.56	220,064.39	1,621,214.95
November, 1875.....	27	1,489,134.52	155,842.55	1,644,977.07
December, 1875.....	27	1,496,811.25	221,148.66	1,717,959.91
January, 1876.....	28	1,473,563.79	186,197.51	1,659,761.21
February, 1876.....	27	1,555,607.35	286,797.40	1,842,404.75
March, 1876.....	27	1,449,369.25	201,176.99	1,650,546.24
April, 1876.....	27	1,508,463.15	150,204.10	1,658,667.25
May, 1876.....	27	1,606,974.86	221,318.85	1,828,293.71
June, 1876.....	27	1,678,396.39	244,999.73	1,923,396.12
July, 1876.....	27	1,439,780.51	211,689.80	1,650,470.31
August, 1876.....	27	1,520,828.83	237,618.06	1,758,446.89
September, 1876.....	27	1,566,804.68	182,994.82	1,749,799.50
October, 1876.....	26	1,440,134.45	248,738.40	1,688,872.85
November, 1876.....	26	1,452,053.14	226,675.36	1,708,690.50
Total 32 months.....		\$48,905,389.97	\$4,780,032.43	\$53,685,422.40

The above table represents the so-called "losses" paid by twenty-six of the Life Insurance Companies of the United States during the last thirty-two months. These are the companies associated in the "Chamber of Life Insurance." The table calls attention to the actual work done by these companies, in pursuance of the object for which they were founded, a feature too apt to be lost sight of in these times, when to judge from newspaper reports, trials in the courts, and even legislative discussions, many people, otherwise intelligent, seem to regard such associations as contrivances for depriving the public of money, or for affording speculators and black-mailers rich chances of plunder.

It will be seen that these companies are actually and quietly disbursing large sums of money day by day; that these sums are paid out precisely when and where they are likely to be most needed, and to do the best service to the community—namely to the

families of men who, while prudent enough to have provided against death, have been prematurely taken away from those they labored to support; that the relief of such dependants from distress, and the education of orphaned children into useful citizens, to the number of many thousands, are secured yearly by these funds. In fact, about six hundred of such families are thus relieved every month; and a good education is given to about one hundred and fifty thousand children each five years, who would, perhaps, have been lost to society through ignorance, if not through vice, but for this system. It is needless to enlarge upon the cultivation of economy and providence, and the encouragement of industry, among the living, by a practice which originates in self-denial and foresight, and which brings with it a sense of safety against the form of calamity which, in the vicissitudes of human affairs may befall any man.—*Metropolitan.*

CHIPS.

—March 15th, a dwelling and contents were destroyed at Portland, Oregon.

Liverpool and L. and G. (on contents).....\$1,504

—March 21st a fire destroyed a tank-house, windmill, etc., at Decota Station, Cal.

California Farmers' Mutual.....\$500

—April 2d, a fire at Tipton Station, Tulare County, Cal., destroyed a store building and contents.

New Zealand.....\$800

—A dwelling was destroyed by fire last month at San Jose.

Home Mutual.....\$500

—March 21st a fire destroyed a coffin manufacturing establishment at Sutter Creek, Cal.

Home Mutual.....\$700

—March 3d, a fire destroyed a dwelling belonging to Leininger Bros., in Butte County, California.

Phoenix, Hartford.....\$1,100

—March 30th, a fire at 1108 Stockton St., in this city, damaged a stock of dry goods, which was settled by

State Investment.....\$1,100

Commercial, S. F.....1,000

March 26th, the grocery stock and fixtures of John Hahn in this city were damaged by fire.

Phoenix, Hartford (stock).....\$400

California (building).....100

—March 19th a fire damaged a stock of dry and fancy goods, belonging to E. C. Fitts, 25 Fourth Street, in this city. Damage settled by the following companies :

California.....\$800

Commercial Union.....394

New Zealand.....395

—March 28th a fire damaged a stock of fancy goods at 221 Kearny Street, in this city. Settled by

Commercial Union.....\$350

Northern.....150

Union, S. F.....150

Hamburg-Bremen.....250

—On the 10th ult., a fire destroyed several buildings, including Union Hotel, at Kernville, California.

Jefferson, St. Louis (hotel).....\$700

Franklin ".....700

Citizens, N. J. ".....700

Liverpool & L. & G. (shoe shop and dwelling) 385

Fireman's Fund (dwelling).....500

—On the 16th of March the dwelling and contents, belonging to Mrs. J. E. Chase, at Martinez, were totally destroyed by an incendiary fire. Insurance :

Hartford (on building).....\$2,500

Rhode Island Ins. Ass'n (on contents).....1,960

Lamar N. Y. (on contents).....1,960

—On the 31st ult., a fire damaged the Eagle Hotel and contents in Oakland.

Home, N. Y.....\$1,154

Royal Canadian.....1,833

—March 17th, a boarding-house on Broadway, Oakland, was destroyed by fire.

German American (on contents).....\$1,250

Union, S. F. (on building).....750

—March 2nd, a fire destroyed a dwelling at Eureka, California.

Fireman's Fund, S. F.....\$700

—On the 26th of March a fire destroyed several buildings at Humboldt Wells, Nev. The total loss is estimated at \$35,000. The insurance was light, the following being all we were able to learn of :

Home Mutual.....\$2,000

Hutchinson and Mann's companies.....3,500

French Corporation.....1,000

—March 18th, a stock of groceries, at corner of Twenty-first and Lydia Streets, Oakland, was burned.

German American\$300

—March 7th, a fire destroyed a brewery at Visalia. Cause of the fire unknown. Insurance loss :

North British and Mercantile.....\$1,600

—The bark W. C. Park, which sailed from Puget Sound in August for Adelaide, New South Wales, has not been heard from, and there is no doubt but that she is lost. The insurance is as follows :

California, S. F. (on hull).....\$5,000

Fireman's Fund " " 5,000

Commercial, S. F. (on cargo)..... 6,000

New Zealand (on cargo)..... 6,000

—On the 7th ult. a fire destroyed the elegant residence of J. R. Robbins, in Seattle, W. T. The house was built at a cost of \$15,000. The fire was the work of an incendiary.

Home, New York (on building).....\$3,000

North British and Mercantile (on building). 2,000

Phoenix, Hartford (on building)..... 1,000

State Investment, S. F. (on building)..... 1,000

Fireman's Fund, S. F. (on furniture)..... 320

—The bark *Bierstadt* was lost at East London, on the west coast of Africa, March 6th. Insurance on hull as follows :

California, S. F.\$7,000

New Zealand..... 3,500

Swiss Lloyd's..... 3,500

—On the 2d inst., a fire broke out in the rear portion of G. & J. Loeb's dry-goods store at San José, and before the department succeeded in checking the flames, considerable damage was done to the stock, which is said to be worth about \$30,000, a large portion of which was Spring stock just received. The principal damage was by smoke and water, and is estimated to be about \$7,000, with the following insurances:

Liverpool and London and Globe.....\$5,000

North British and M..... 5,000

Home Mutual, S. F..... 5,000

Phoenix, Hartford..... 3,000

London Assurance..... 3,000

Fireman's Fund, S. F..... 3 000

Total.....\$24,000

The building was insured for \$5,000 in the Commercial, of this city, and \$4,000 in the

Fire Association, of Philadelphia, and the damage has been settled for \$298.

—March 16th a cottage, was destroyed by fire in Oakland. It is supposed that it was set on fire by some incendiary, as one of the engine-houses was fired while the department was out, and the strong presumption is that both fires were started by some unprincipled, disappointed firemen, who take periodical incendiary spasms, and it is to be hoped that they will be caught in the act if the thing is continued, when, we understand they will receive lamp-post justice. The engine-house fire was extinguished without damage. The cottage above mentioned was insured in :

State Investment.....\$1,000

—W. J. Stoddart—underwriters' agency—has removed to 200 Sansome Street, up stairs.

—Oliver Hawes, agent for the Connecticut Fire Ins. Co., has removed to 323 (basement) California Street.

—The Bangor Fire Ins. Co. has resolved to withdraw its agencies, re-insure its risks, and quit business. This will be done without loss to the stock-holders.

—The San Francisco office of the Pacific Mutual Life Ins. Co. has been removed to 426 Montgomery Street, occupying the old rooms, for several years used by the New York Life. The agency of the Pacific Mutual is now in the hands of W. O. Gould.

—The Legislature of Maine has passed a non-forfeiture law, applying to all policies issued by life companies in that State on and after the first of April, when they shall have been in force three full years.

—The heavy fires in New York, Boston, St. Louis and Philadelphia, during the past three months, is a quiet reminder to underwriters that a further reduction in rates in those large cities is not particularly beneficial at this time.

—Walter Spyer, Esq., of the firm of Morris, Spyer & Co., general agents Hamburg-Bremen and Swiss Lloyd Insurance Companies, is now on a visit to Europe, on a pleasure and business trip, to be absent about six months.

—North Carolina very properly refused to pass a deposit law.

—East Oakland has a new engine, which is said to be handsome, and throws a good stream.

—Insurance Commissioner of Minnesota will accept thanks for a copy of the sixth Annual Insurance Report of his State.

—We call the attention of our underwriters to our Virginia City letter, from our regular correspondent, which gives a pretty full report of matters at that point.

A Boston paper states that the *Bierstadt* was insured in Boston for \$35,000, which the owner claims had expired before the above-mentioned insurance was effected in San Francisco.

—We are indebted to Mr. I. E. Bigelow for the particulars concerning the "Great American Insurance Company," to whose energy and persistency in following up the "Professor" is due the prompt and early exposure of the swindle.

—General J. F. Houghton, president of the Home Mutual Insurance Co., of this city, returned to his post of duty a few days ago after an extended trip to the "States." The General is looking well, and enters upon his duties with renewed vigor and energy.

—Mr. J. W. Judd, a Director and the New York manager of the Union Mutual Life Co. of Maine (Directors' office, Boston) is visiting this State, looking after his company's interests, and also his health. Mr. Judd is a gentleman who has been long connected with the life insurance business, and stands well in the profession.

—Sacramento boasts that no city in the United States is better protected from fire; that her losses by fire from March 1st, 1876, to March 1st, 1877, were only \$22,280, on account of which, insurance companies paid but \$7,580; and, therefore, asks in the same breath for a reduction of rates, and that the insurance companies doing business there supply the city with a telegraphic fire-alarm service. California has many wonderful products; but modesty is not among them.

—*Chronicle, N. Y.*

—The *Western Insurance Review* of St. Louis says that S. F. Taylor, who for nine months, acted as secretary of the Local Board of St. Louis has decamped, carrying with him all the funds of the Board, amounting to some \$1,500, and also the books of the Board. Gone to look up Frost, Ben. Noyes and Stedwell.

—At the meeting of the Common Council of Gilroy, on the 5th of March, a contract was let to build four cisterns, for fire purposes, with a capacity of 8,000 gallons each, to be fed from the water-mains with a two-inch feed pipe.

—Mr. F. S. Winston, the old Mutual Life's President, is now visiting this State, making his usual annual trip more in the interest of his health than for business purposes. Mr. W. finds from experience that the climate of New York during the spring months is too harsh, and that California climate is invigorating and necessary to good health. He is now visiting Santa Barbara.

—J. H. Wellman, Esq., president of the Revere Insurance Co., of Boston, J. W. Murry, Esq., vice-president of the German-American Insurance Co., of New York, and Eugene Carey, Esq., Western general manager, Chicago, of the last-named company, are doing this coast at this time. These gentlemen seem to understand their business, as it appears they are not satisfied with a "sly glance" at the front of their risks in this city, but insist on "going through" every one.

—The Protection Life Ins. Co., a co-operative humbug of Chicago, has "busted" wide open. This co-duperative has done more self-puffing and loud talking about "cheap insurance," "pay as you go," etc., than all the co-duperatives in the country. Its managers have written and published more trash denouncing "old-line" companies than all other swindles of its kind in the United States; yet recent developments fully demonstrate the fact that co-duperative days are short at best, and the downfall of this, the worst of the lot, will have a tendency to direct thinking men to legitimate insurance.

—The Superintendent of the Insurance Department has commenced an official examination of the Universal Life Insurance Company.

—*The Investigator*, Chicago, will accept thanks for a copy of a Fire Insurance Chart for 1877. This chart is very complete and the most elaborate of any that we have seen.

—The St. Louis life insurance muddle is getting so complicated that an attempt at a complete record of the proceedings would fill a volume as large as the "old family Bible," each month, and the REVIEW, therefore, gives it up, and awaits results.

—We congratulate our young sister State, Colorado, on its recent escape, though narrow, from the curse known as State supervision of insurance matters. The Senator from Georgetown, the Hon. W. A. Hamill, deserves the thanks not only of the insurance fraternity, but especially the citizens of his own State, for his energetic, able and successful efforts in delivering his State—for two years, at least—from the *farce* called "State supervision."

—Virginia City, Nevada, has elected a very large Chief Engineer for its new fire department. His name is Brown, and the *Virginia Chronicle* says, he was born on the 12th day of March, 1822, and the same nurse who assisted at the ceremonies did a similar favor for Oliver Wendell Holmes in the same year. With the above important events behind him, Mr. B. should be able to "make his mark."

—A bill in the Missouri Legislature provides that when an insurance company doing business in that State shall, through the representation of their authorized agent, issue a policy of insurance on any building or other property, such policy shall be held to be the voluntary act of the company issuing the same; and when the premium shall have been paid thereon, either to the company or to their agent, such company shall be responsible to the party insured for the full amount named in the policy in case of the loss of the property insured, and the

party insured shall only be required to produce the policy issued as evidence in any court of competent jurisdiction to entitle him to the full amount therein named, anything contained in the advertised terms or conditions of such insurance company to the contrary notwithstanding.

—Pennsylvania has fifty-six joint-stock fire insurance companies with gross assets of \$31,752,764. Their total losses were \$5,000,000, and cash receipts nearly \$11,000,000.

—The REVIEW acknowledges the receipt of a very neat pamphlet, containing the report in detail of the secretary (N. W. Harris) of the Union Central Life Ins. Co., of Cincinnati, the report of Superintendent Hill, of the Ohio department, and the report of A. F. Harvey, actuary, who recently examined the affairs of the company; each of which shows the company is in a solvent condition, and able to meet its obligations.

—The annual meeting of the Commercial Union Assurance Company of London was held on the 14th of March, when the directors resolved to recommend to the shareholders a dividend of 10 per cent., free of income-tax, making, with the interim dividend paid last September, 12½ per cent. for the year, and to appropriate £15,000 to the reserve fund, leaving £20,340, the balance of profit and loss account, to be carried forward to account of 1877. After providing for the payment of the dividend and for all outstanding losses, the fire fund has in the past year been increased by £69,000, and the marine fund by £36,000; the life fund has also been increased by £64,000.

—The Globe Marine Insurance Company of London, England, have established an agency in this city, with Messrs. Degener & Co. agents. The capital is advertised at \$2,500,000, and the report filed with our Commissioner shows that \$500,000 of the above sum is paid up in cash. The present assets of the Globe Marine is \$599,471, with a liability, except capital, of \$111,391, making total liabilities \$611,397, showing a slight impairment of \$11,926.

—The Union Central Life Insurance Co. has won its case against the Treasurer of Hamilton County, Ohio, and the tax liability with which it was charged by Commissioner Hill in his recent examination exists no more. The principle is established in Ohio that the debts—the reserve—of a life insurance company cannot be taxed.—*Chronicle, N. Y.*

—Mr. K. S. Chaffee, president of the Faneuil Hall Insurance Co. of Boston, visited this city a few days ago. Mr. Chaffee brought with him his wife and son, and contemplated remaining for two or three months, but was unexpectedly called home on account of a sudden death in his son's family. The party left on the overland train April 4th. Mr. C. seemed highly pleased with our city and State.

—*The Review*, London, an insurance journal, in speaking of the fire patrols of America, after a personal examination of the same, pays a very high compliment to the Chicago Patrol, but does not overlook our San Francisco Patrol, as witness the following:

"There is possibly no patrol in America that can equal the one at Chicago; still, that of San Francisco, although it does not pretend to the pantomimic changes of our Chicago friends, has all its best points, and is easily out in the day-time in ten seconds. The efficient working of this corps has been repeatedly shown by their having restrained raging fires into flats, and even into rooms, several times, and this even in wooden buildings."

—From time to time items have appeared in Eastern journals telling of the large life insurance business transacted by agents within a certain time, but for a continued large business for a number of years we believe that Messrs. Schreiber & Howell, of San Francisco, can show a very favorable record. General J. Howell and S. Schreiber joined forces in May, 1868, and have operated together ever since, for the first six years, under the firm name of Schreiber & Howell, and since then as the Trust Fund Insurance Association and General Insur-

ance Agency. From May, 1868, to Dec. 31st, 1876, eight years and seven months, they have placed 7,124 policies, insuring \$18,122,150, and collected premiums of \$2,252,458.47; averaging monthly, for the whole time, seventy policies, covering \$176,000 insurance, with \$21,000 premium income.

—The Metropolitan Life Insurance Company has sent us its *Metropolitan*, a neat little monthly, on the back of which we find a full and detailed report of its operations for 1876, and its financial standing at the close of that year. From the figures before us the officers have reason to congratulate themselves and their agents on the results of the year's labors. The policy-holders have no reason to complain, as the net surplus at the beginning of 1877 over re-insurance fund and all liabilities was \$375,629.48; the total assets, \$2,291,383.96; number of policies in force, 17,508; policies issued in 1876, 4,116; total income in 1876, \$963,053.84.

—Oakland, across the bay, is looked upon by many underwriters as a profitable field for business, and it may be, although the rates charged for insurance are so low that the profits will necessarily be small if they never experience a loss; but if the city authorities don't quit "letting" the engine horses to street sprinklers, we will hear of a fire "getting under good headway before the department reached the spot," and the result will be a first-class conflagration. Yes, it is a fact, that the horses belonging to the engines in the central portion of the city are used for street-sprinkling purposes "between fires," but the driver is warned "not to be more than twelve blocks away from the engine-house at any time," as it is the duty of the department to get to a fire as quickly as possible after the alarm is sounded. The sprinkling man is also instructed that if he should be in the immediate neighborhood of a fire when it breaks out, he can, at his discretion, back his sprinkler up in front of the fire (to prevent it from spreading), detach the team, and "fly" to the engine-house.

—Mr. Wm. J. Hughes has been appointed sole manager of the Royal Canadian Ins. Company's New York branch, including the agencies of several middle and Southern States. The company has obtained an act of Parliament reducing its subscribed capital from six to two million dollars, and empowering its stockholders to appropriate its last assessment of 5 per cent. (\$300,000) to make good the impairment of its capital. Its American business, done solely on the ample securities deposited in the States, has been, and remains entirely intact and remunerative. The Canadian business suffered severely by three recent destructive conflagrations in the Dominion, and has necessitated these changes to cure a merely technical impairment.—*Insurance Times, N. Y.*

—We find in the COAST REVIEW for March a capital report of the proceedings of the first annual meeting of the Fire Underwriters' Association of the Pacific. The meeting was held on Feb. 20, and, so far as we could observe, received no attention from the San Francisco daily papers, usually so enterprising. Addresses and reports of a very interesting and practical kind were presented by Messrs. L. L. Bromwell, W. J. Landers, E. Brown, Geo. D. Dornin and Geo. W. Spencer.—*New York Mail.*

The *Mail* is a little "off" concerning the enterprise of our daily papers, especially as regards insurance interests. Unfortunately the daily papers of this city overlook intentionally any good things said or done by insurance men or companies, but never lose an opportunity to stab them, even with the least provocation. The height of their ambition is to hear of some law-suit against a company, when their scribbling reporter sets about to find out, not the particulars, but the insured's side of controversy, and the company is immediately "shown up" as "refusing to pay honest losses," "receiving the poor man's premium," and then "refusing to pay the loss," but never inquire the reason for said refusal.

—The periodical wail that goes up that "foreign" (i. e., not local) insurance companies, are draining the country of large sums in the shape of premiums, leaving nothing in

return, is not confined to the city of San Francisco, as witness the following from the Chilean *Times* (Valparaiso) of February 17:

In recounting the sins of the foreign enterprises established in Chile, the *Republican* relates that there are twenty-three foreign insurance companies here, which collect a premium on thirty-five million dollars, "without leaving in the country even a residuum of the sums absorbed." As well as we recollect, the "residuum" left in Chile so much exceeded the premium that many of the oldest established offices not long ago proposed closing their agencies. It would be interesting to learn what have been the profits derived by the foreign insurance companies during, say, the last twenty or twenty-five years. Could not the agents here furnish these particulars? Till quite lately disastrous fires were the rule rather than the exception in Valparaiso.

Could not our friend Harry Bigelow give us his experience as adjuster for the old Pacific, in two of the large fires in that city several years ago?

—The annual statement of the Piedmont and Arlington Life Insurance Company of Richmond, Va., is before us, showing its financial condition on the 1st of January, 1877. It appears that notwithstanding the dullness of the times of last year, caused by political excitement, the "Centennial" together with the general depression of business throughout the East, and especially the South, the Piedmont and Arlington has shown itself equal to the emergency, as is shown by their statement at the close of the year. The total income last year was \$628,126 with a total paid out to policy-holders of \$416,412 and the expense of management was only \$110,788. The wisest thing that the company did during 1876, was the retirement of its \$100,000 capital stock, which drew interest and a share of the profits. This will prove a continuous benefit to the policy-holders. The assets of the company on the 1st of the present year, were \$1,963,164 with a net clear surplus over all liabilities on a $4\frac{1}{2}$ per cent. basis of \$162,454.82. The expenses of management last year were \$50,000 less than the previous year, and the death losses \$68,000 less than in 1875. The officers, and especially D. J. Hartsook, its president, deserve great credit for piloting this southern company safely through the four dull years just closed.

UNION MUTUAL
Life Insurance Company
OF MAINE.

CHARTERED, - - 1848. ORGANIZED, - - 1849.

HOME OFFICE, AUGUSTA, MAINE.

Directors' Office, 153 Tremont St., Boston, Mass.

ASSETS, \$8,129,925.68.

JOHN E. DE WITT, President.

DANIEL SHARP, Vice-President.

DAVID L. GALLUP, Secretary and Actuary.

J. P. CARPENTER, Assistant Secretary.

A. HUNTINGTON, Medical Director.

NICHOLAS DE GROOT, Cashier.

All Forms of Life and Endowment Policies Issued.

POLICIES HEREAFTER ISSUED

ENTITLED TO THE "NON-FORFEITURE LAW OF MAINE."

AGENCIES IN ALL THE PRINCIPAL CITIES AND TOWNS.

COAST REVIEW.

A MONTHLY JOURNAL, DEVOTED TO FIRE, MARINE AND LIFE
INSURANCE.

J. G. EDWARDS, Editor and Proprietor,

320 California St., San Francisco, Cal.

VOL. 12.

MAY, 1877.

NO. 2.

[From the *Bankers' Magazine*, N. Y., for April.]
Banking in California.

BY GEORGE R. GIBSON.

On the 19th day of January, 1849, gold was discovered in California and the initial impulse thereby given to the Westward drift of empire. This was one month before the treaty of Guadalupe Hidalgo was signed, and five and a half months before the American title to California was confirmed. No event within the last century has exerted a more powerful influence upon the money and labor markets of the world than the discovery of gold in California. It vastly augmented the world's stock of precious metals, increased wages, rents and prices, and generally infused new life and vigor into the channels of trade throughout Christendom. Gifted in addition with a marvelous combination of soil and climate, and valleys rich as the Garden of Hesperides, California has become one of the greatest of producers and exporters of breadstuffs in the world. San Francisco, located upon a splendid land-locked harbor, and favored with an equable climate, has sprung up within the last thirty years from a trading post to an elegant city of 300,000 population. It is to California what Paris is to France, the metropolis of its wealth, commerce, fashion and thought. For this reason, what is here said concerning banking will chiefly relate to San Francisco.

The first banking house established in San Francisco was on January 9th, 1849, under the firm name of Naglee & Sinton, as a bank of exchange and deposit. At the close of the year, five private banks were in operation. Previous to their establishment, mercantile houses provided with safes and chests had done a sort of primitive and embryotic banking business.

Within four months after the "diggings" were fairly opened, gold dust to the value of \$850,000 was sent to San Francisco to purchase mining supplies, but as it was more a Jesuitical mission than a trading post, the supply of merchandise proved inadequate. The exorbitant prices then paid for goods in store induced large shipments hither on speculation, the market became glutted, and prices fell as much below their actual value as they had been above it. In 1850, Naglee closed his doors owing to this pressure, and a "run," the first recorded in the financial history of California. In 1851, Wells & Co. suspended. That was pre-eminently a wild and speculative period, and the banks lived in an atmosphere entirely uncongenial to a healthy existence, and the wonder is that they survived so well.

The elasticity of nature soon caused a revival of confidence, and San Francisco rose again on the top wave of speculation and prosperity. General Sherman in his "Memoirs," thus depicts the city on his arrival in 1852:—"Everybody seemed to be making

money fast; the city was rapidly extended and improved; people paid three per cent. a month interest without fail, and without deeming it excessive." From all accounts, banking at that time rested upon a precarious footing, adequate security was difficult to obtain, and the high rates of interest were scarcely commensurate with the risk. Moreover, the banks were drained of their deposits every fortnight for transmission abroad by the semi-monthly steamers. The business fabric was erected upon a false and fictitious basis, and the roseate dreams of a modern El Dorado were to be rudely dispelled by a collapse of credit. On January 18, 1854, Adams & Co. had a "run" made upon them, but after paying out \$416,000 it subsided. Between 1853-5, the principal banking houses were Page, Bacon & Co., Adams & Co., Burgoyne & Co., Davidson & Co., Wells, Fargo & Co. and Lucas, Turner & Co. Page, Bacon & Co. were by all means the leading bankers in the State, and a branch of Page & Bacon of St. Louis, one of the most influential houses in the U. S. Early in the winter of 1855, some drafts of the St. Louis house went to protest in New York, and when the steamer arrived in San Francisco, Feb. 17, this fact was communicated to the public. The report spread like wildfire, precipitating a "run" upon Page, Bacon & Co., to which they succumbed. Lucas, Turner & Co., managed by W. T. Sherman, survived the panic which ensued, but most of the institutions went down.

From this time for twenty years, the current of California's banking interest flowed on with increasing volume and calm tranquility, until it reached the verge of a financial Niagara in 1875. During these two decades, the banking system was elaborated and freed from many of its crudities. Large sums of foreign capital were invested, and some private concerns became merged into corporate establishments. One of the most notable events was the foundation of the Bank of California, which was incorporated June 15, 1864, and began business July 1, at the corner of Washington and Battery Streets, with D. O. Mills as President, W.

C. Ralston as Cashier, and a capital of \$2,000,000. On July 1, 1866, the capital was increased to \$5,000,000, and on June 27, 1867, the office was removed to the present handsome edifice, corner of California and Sansome Streets. The Pacific States enjoyed an enviable immunity from those adverse influences which affected the Atlantic States during the civil war. They escaped the incubus of a fluctuating paper currency, by their persistent adherence to the gold basis, and determination to ignore the financial system instituted by Secretary Chase. California discharged all debts and contracts payable in the East, in gold, at rapidly advancing figures, deriving all the benefits accruing to a foreign nation. The construction of the trans-continental railroad and telegraph opened out new regions to commercial enterprise, and furnished a connecting link in the chain of the world's commerce which found its natural highway through the portals of the Golden Gate. A prosperous agriculture and fresh discoveries of silver in the Washoe mines, required increased maritime facilities to transport treasure and breadstuffs to the four quarters of the globe. The year 1875 dawned with the most auspicious promise for unabated prosperity. It was so abroad, but the greatest bank losses of modern times occurred that year both in Europe and America. During the year, the Strousberg failure in Russia and Germany involved many smaller banks in disaster, but particularly the Commerce and Loan Bank of Moscow. The failure of the Collieries and the Aberdeen Iron Company in England, and contingent suspensions, caused extensive losses to all the leading joint stock banks of London. In the United States, statistics show the commercial failures in 1875 to have been fifty per cent. in excess of 1873, the burden of which was eventually borne by the American banks. It was a sort of renaissance period, and favored as was California she could not escape entirely.

During the Summer of 1875 the high price of gold in the East induced many merchants to anticipate their payments and buy largely for prospective trade. The ship-

ments East of specie were accordingly \$22,000,000, as against \$3,000,000 the preceding year during the same period. In addition, the high price of wheat absorbed several millions for its movement, and, as was currently reported, certain parties had locked up considerable coin. On Tuesday, August 24th, a decline was observed all along the line of mining shares. On Wednesday it continued, culminating in a crash on Thursday. The mining interest ramifies throughout the whole financial system of the State, and exercises a very perceptible influence upon the local money market.

The Bank of California had been an active promoter of mining developments, and was the banker for the leading brokers. Mr. Ralston, its president, had been violently assailed by two daily journals, and as vigorously defended by others. It was whispered that his bank had locked up two millions of its funds in New Montgomery Street, a million and a half in the Kimball Manufacturing Company and Woollen Mills, and had probably made some losses.

It is difficult to say just what conditions are necessary to develop the bud of distrust into a full-blown panic, but in this instance unmistakable symptoms of a "run" on the Bank of California were manifested on Thursday, August 26th.

During the day it paid out about fourteen hundred thousand dollars, and was obliged to close its doors at a quarter to three o'clock. The National Gold Bank and Trust Company suffered a "run" during the afternoon, keeping open their doors until four o'clock, having paid out nearly a million of dollars. The following morning notice was given that this bank would not open, but depositors could have assets to the amount of their respective credits. The Savings Banks issued a joint notice requiring the usual thirty days' notice before withdrawal of deposits.

The intervening night, instead of quieting, inflamed the public, for they had time to realize the import of the Bank of California failure. This institution had so won their confidence and sympathy, it was so intimately identified with all the interests and

industries of the coast, that it was regarded with pride as a Gibraltar of security and a monument of imperishable credit.

The morning sun of August 27th rose upon San Francisco's "Black Friday," when the crucial test was to be applied to the banking system of the city. By eight o'clock California Street and contiguous thoroughfares were filled with a nervous and struggling mass of humanity, impatiently awaiting the opening hour. When it arrived, the Merchants' Exchange Bank posted a notice that in consequence of the difficulty of getting coin, it would temporarily remain closed. The London and San Francisco Bank and the Anglo-Californian, operating under British charters, but managed by well-known California bankers of pronounced ability, bore the brunt of the attack, showing themselves to be masters of the situation. Transfers of gold to these banks from the Sub-Treasury were made by telegraph, and were exhibited to anxious depositors to quiet their apprehensions. During the day the stockholders and trustees of the Bank of California were viewing the wreck and holding an inquest over its ruins. W. C. Ralston, its president, and to whose mistakes its collapse was due, was requested to and did resign his office. After deeding all his property to Senator Sharon in trust, he left the bank about three o'clock, homeless, friendless and penniless. He walked hurriedly up to North Beach, and entered the water, whether for a bath or for the purpose of seeking oblivion from his grief can never be known. He was brought out a corpse, and the intelligence of his tragic death cast a pall of gloom upon the city, whose citizens loved him so well, with all his faults. The following Monday was collection day or steamer day, when all mercantile balances were to be adjusted. This custom and the use of book credits instead of notes, are relics of an early day, and are objectionable by reason of producing a periodic semi-monthly stringency. The day came and went; mutual forbearance was exercised, and confidence was restored. In 1873 the association of the New York banks and of those in many of the Eastern cities, and the

use of the Clearing-House certificates, probably averted a general suspension. In San Francisco there was no union of resources, no Clearing-House, and each bank stood on its own merits.

On the 1st of September a syndicate was formed to extricate the Bank of California from its embarrassments. A guarantee fund of seven and a half millions was subscribed, of which D. O. Mills, E. J. Baldwin, William Sharon and Joseph R. Keene each took one million. On the 2d of October the Bank of California opened its doors for the regular transaction of business, amid the boom of cannon, the unfurling of flags and the plaudits of the people.

On the 4th of October the Nevada Bank of San Francisco opened for business, with a cash capital of \$5,000,000, which was increased October 4th, 1876, to \$10,000,000. This is the Bonanza Bank, and chiefly owned by Messrs. Flood, O'Brien, Mackey, and Fair, "Kings of the Comstock." The bank is under an able and energetic administration, has already won the highest position at home and abroad, and is possessed of unsurpassed credit.

Simultaneously with the failure of the Bank of California the Boards of Stock Brokers closed, to resume their functions on October 5th. As we cast a retrospective glance at the effects of the panic, we meet abundance evidence of the soundness of the banking and financial system of the State. There was no general panic, no tumble in prices, and no commercial crash. The banks which failed have all resumed business, the restoration of the Bank of California being a financial feat unparalleled in history. On December 3d, 1875, it reorganized under the laws of the State, and levied eight assessments, amounting to \$4,000,000, all of which were paid up within a year, restoring the original capital. The management is now confided to conservative and talented hands, who may be relied upon to avoid in the future the shoals and quicksands which engulfed it under Mr. Ralston's direction.

The inflationists of the East hailed the California panic as a felicitous proof that

specie-paying countries are subject to panics. They certainly are, as all will confess, but their recuperative energies are far superior to those using a fluctuating currency.

William C. Ralston, whose death formed a tragical climax to the failure of the Bank of California, occupied a very conspicuous place in the financial history of the State. He was born in Ohio in 1826. His father was a carpenter, but having no predilection for this vocation, he procured a situation as clerk on a Mississippi River steamboat, where he attracted the attention of C. K. Garrison. Mr. Garrison sent him to Panama as his steamship agent, and in 1854, when Mr. Ralston came to San Francisco, engaged him in the firm of Garrison, Fretz & Ralston in the bullion and exchange business. This firm was succeeded by Donohoe, Ralston & Co., which was dissolved in 1864, Mr. Ralston retiring to found the Bank of California. His impetuosity was curbed by the conservative counsels of D. O. Mills, its president, but by his ability, experience, indefatigable energy and accomplished address, he aided in giving high character and standing to the bank, and paved the way to his promotion to the presidency. Upon assuming the presidency he guided the destinies of the bank with but little check. Unselfish, but full of grand and visionary projects, he over-estimated the tension of the bank's resources, and scattered its assets with injudicious prodigality, involving it and himself in ruin. Probably the first error made by Mr. Ralston was in assuming the role of a capitalist rather than that of a banker. He was interested in the building of steamers to China, Japan, and Australia, in the culture of silk, the manufacture of watches and furniture, the Water Company, the Woolen Mills, the Truckee Railroad; he conceived and began to erect the Palace Hotel, and sought to encourage all magnificent enterprises. No industry languishing for want of support went away unassisted; no new enterprise but met his encouragement.

Mr. Ralston lost sight of the cardinal principle of sound banking, that there is an essential difference between a mortgage and

a commercial note. A great responsibility rests upon a banker in deciding into what channels, speculative, visionary, commercial or industrial, shall be directed the floating capital at his disposal. In aiding the legitimate enterprises of a community, a bank cannot afford to lock up its funds and join in a long-time partnership. He increased industrial activity, stimulated the channels of trade, and threw a glamour of exaggerated prosperity over the State largely at the expense of the bank. Possessing as he did the charm of good fellowship, the people idolized him; but popularity is sometimes incompatible with sound banking.

There was a smaller class in the community who carped and criticised him. No politician in heated campaign engendered more partisan feeling than was exhibited in the columns of the San Francisco press. The truth is, his excellencies and defects were alike prominent: much to approve, much to condemn. He made mistakes, and in order to extricate himself, became deeper entangled in the toils, but few question his integrity of purpose. He had great dash and nerve, and in mental activity, boldness of conception, grasp of thought and energy of execution he was the Napoleon of financiers; but his extravagance, audacity and recklessness toward the close were sometimes mistaken for genius, and brought him to his Waterloo.

His funeral cortège was the most imposing ever seen in California, fifty thousand people joining in the silent homage to the departed banker. A little later, when the attacks of two daily journals aroused public indignation, twenty thousand men assembled to vindicate his honor. Orations and eulogies were delivered, resolutions were passed in his memory, and promises were made to withdraw patronage from the hostile papers. What remarkable testimonials were these of a man who had lost the capital of a great bank, and from men who did not know but that their own deposits were also gone!

The last session of the Legislature passed an act requiring statements in January and July, in response to which one hundred in-

corporated banks have reported. The private banks claim exemption from the act; and the Revenue reports afford the only means of learning their condition.

The corporate banks report a paid-up capital of \$44,409,600, with a reserve fund of \$7,585,400, making an active capital of \$53,995,000, with deposits of \$122,911,300, on January 1st, 1877. The total deposits and capital of the commercial banks of the State may be estimated in round numbers at \$200,000,000. There is no usury restriction in the State, and rates consequently respond to natural laws. The bank rates hitherto prevailing in the city have been quite high, and at present the average bank rate is probably 12 per cent., though loans are made as low as 9 per cent. The redundancy of capital in the city will soon force a permanent reduction.

The savings banks of California are objects of State pride, and are exceptionally strong. The Savings and Loan Bank of San Francisco was the first organized, July 23d, 1857. The interest paid depositors in the city ranges from $7\frac{1}{2}$ to $8\frac{1}{2}$ per cent. on ordinary deposits, and 9 per cent. and higher on term deposits. In the country the dividends range from $7\frac{1}{2}$ per cent. to 15 per cent. The following table indicates the growth for ten years:

SAVINGS BANKS DEPOSITS.

Termending	City.	Interior.	State.
January, 1867..	\$10,358,900	.....	\$10,358,900
July, 1867.....	13,833,300	.....	13,833,300
January, 1868..	17,165,600	\$200,000	17,365,600
July, 1868.....	19,687,300	756,000	20,443,300
January, 1869..	22,342,500	1,476,000	23,818,500
July, 1869.....	24,773,100	1,989,100	26,762,200
January, 1870..	26,643,500	2,259,100	28,893,600
July, 1870.....	29,842,100	4,039,200	33,881,300
January, 1871..	31,289,600	5,296,400	36,586,000
July, 1871.....	35,541,600	6,337,200	40,878,800
January, 1872..	37,033,400	7,201,700	44,235,100
July, 1872.....	40,369,400	7,415,000	47,784,400
January, 1873..	42,474,900	8,956,400	51,431,300
July, 1873.....	43,731,400	9,614,600	53,346,000
January, 1874..	46,970,600	10,862,800	57,833,400
July, 1874.....	50,860,300	11,877,600	62,737,900
January, 1875..	55,891,000	14,022,400	69,913,400
July, 1875.....	59,026,100	13,858,400	72,884,500
January, 1876..	56,297,600	13,765,000	70,062,600
July, 1876.....	57,677,200	12,789,000	70,466,200
January, 1877..	59,021,200	13,921,500	72,942,700

The shrinkage of deposits after the panic

of 1875 has been recovered, and the total deposits January, 1877, are \$72,542,700. The number of depositors is 100,623, making an average to each depositor of \$730, or an average to each head of the population of about \$100. The average deposit per *capita* of population in Switzerland is \$17; in England, \$9.60; in Austria, \$8.80; and in all Europe, \$5.60, which show how superior is the condition of the industrial classes in California to those in Europe. Comparisons with other States of the Union show savings banks to be more largely used in California than elsewhere. Previous to the establishment of a mint at San Francisco in 1854, the circulating medium was of a heterogeneous character, composed of coins from all nations, gold dust at \$16 per ounce, and "slugs" issued by private refineries. One of the earliest provisions in the organic law of the State was the punishment prescribed for uttering paper money. During the war the greenback was almost as much a stranger in California as the Bank of England note. On July 12th, 1870, the act authorizing gold banks was passed, and on January 3d, 1871, the First National Gold Bank of San Francisco began operations. Since then others have been established in the interior at Sacramento, Stockton, Oakland, Santa Barbara, San José, and Petaluma, and one other in San Francisco. People educated to the use of gold and silver very reluctantly accepted gold notes, but their superior convenience has extended their circulation in the country. Gold and silver alone form a satisfactory monetary basis, but the machinery of the modern banking and commercial system greatly economizes the use of the precious metals, and substitutes a convertible paper currency. Bank notes, checks and Clearing-Houses have greatly supplanted cumbersome specie transfers. The short-sighted and unfriendly policy of refusing gold notes was adopted by some of the banks during the panic, and even now city bankers send in on the following day for redemption all gold notes taken on deposit. This prejudice must die out, and if the law is modified, gold-note banks must come into greater favor. The

Clearing-House was established March 11th, 1876, and is now composed of fifteen banks. The Nevada Bank, the largest in the city, is not a member, but the Clearing-House already ranks fifth or sixth in the list of the United States. San Francisco exchange operations with the Orient are very extensive, and large London balances in China are settled on the most advantageous terms through San Francisco. This business is likely to increase, and all the indications of the time point to an early future when San Francisco will rank with London and New York as the Clearing-Houses of the world. San Francisco, March 1st, 1877.

The Folly of Co-operative Life Insurance.

The *Chronicle*, New York, hits the nail square on the head sometimes, as witness the following on co-operative life insurance, the *worst* of all humbugs:

A life insurance company must receive money before it can pay money out. The co-insured must contribute sufficient to pay the death claims and expenses; and to avoid injustice each should contribute in proportion to his normal risk of dying. This risk is ascertained from the approved tables of mortality, which tables show the ratio at which men of all insurable ages died formerly and are dying now. From these tables is ascertained the ratio of the dying to the living at each age, and so the measure of the probability of death at any given age.

If we take the number dying at any age, multiply it by the average amount insured, and divide the product by the number who will contribute to pay the loss, we ascertain within very close limits the share of each one's net contribution. Where these contributions are not taken in advance, with a further tax sufficient to pay working expenses, the company is no more certain to pay its losses as it is to collect these contributions after the loss has taken place. What this certainty amounts to, every tradesman who attempts the collection of small bills knows. In fine, the ability of such a company to pay its losses depends upon the

number of members who, having received insurance (so mis-called) upon credit, will continue to pay their assessments when they lose nothing by defaulting, but gain whatever of such insurance they have had on credit. And yet it is upon the coherence of members thus bribed to default that the value of what is called co-operative life insurance entirely depends.

It cannot even be pretended that the premium as in other companies, bears any relation to the policy. A new member who dies soon may receive \$2,500, and, owing to a sudden fluctuation in the number of memberships, one who has for years borne the heat and burden of the day, and paid in hundreds of dollars, may receive nothing; for, among the curious absurdities of this plan, it is stipulated that the amount of the policy shall not even be determined by the contributions which sympathizing friends might be moved to make, but by the number of members who *did* pay the last assessment. It must be a fearful calamity to die at *low tide*, or just after an unpopular member.

In fact, a member is continually paying an uncertain, but increasing, premium, for which he can make no adequate provision, in consideration of receiving an uncertain amount of policy, which no skill of his own, or the managers, or any person can predict.

In the absence of statistics, if such were possible, from which to deduce the number of innocents who can be wheedled into these concerns, or the ratio in which they will cut their eye-teeth and get out again, the amount of a policy might as well have been made to depend upon any other contingency as the one selected. Indeed, they might have given more real satisfaction in the aggregate by selecting any contingency, however foreign to the subject, which could have been approximately predicted, rather than one which has no real, but only an apparent relevancy, to the premiums assured.

Granting that 5,000 or any considerable number of members, however classified or assessed, will remain together and continue to pay during a given period, their mortuary experience will not be found to differ very widely from that of any other 5,000 persons

similarly selected (unless imbecility be found to promote longevity). The cost of death claims will be about the same, though it may be adroitly shifted to the wrong payers.

Suppose we classify, as has been done, 2,500 members of the ages from 45 to 60, and assure them \$2,500 each, on the sole condition that upon the death of one of the class the survivors shall contribute one dollar each. Under this semblance of fairness lurks the grossest injustice. We select two members, one of 45, the other of 60; each is assessed \$1.00 to pay a death claim. The ratio of dying to living at 60 is 28 in 1,000. At 45, 12 in 1,000. If they contribute equitably, the youngest should be required to pay 37 cents and the older \$1.43. This for the first year.

Twenty years after, a new member, aged 45, is admitted to this class. He is assessed \$1.00, and our old friend, formerly 60, and now 80, is assessed \$1.00. The younger's risk is but 12 in 1,000, the elder's 140 in 1,000; the younger should pay 15 cents, the other \$1.85.

Five years later the proportion of contribution between a survivor of 90 and a new recruit of 45, differs so widely that the younger pays nearly twenty times as much as he should, the elder's share being \$1.95 to 5 cents for the new man.

Throughout the whole blundering scheme, we trace the same unvarying robbery of the younger members and new recruits; as if on purpose to deter the young and enviable risks, and invite and retain the effete and decaying.

If it was possible to attribute to the god-fathers of these concerns any designs whatever, aside from the temporary gain of their paid managers, we should compliment them with having stumbled upon that plan of all other conceivable plans which contains the most numerous elements of disintegration.

And it is upon the coherence of memberships, "as prone to melt as butter"—a thing "of continual dissolution and thaw"—that the amount of provision for the widows of its patrons is made to depend.

Underwriters' Fire Patrol.

ASSESSMENT FOR THE QUARTER ENDING MARCH 31ST, 1877.

Below we give name of companies and premiums received on business in San Francisco for the quarter ending March 31st, 1877, with amounts assessed for patrol purposes, as published by Hugh Craig, secretary of the Patrol Association. The premium receipts published are, less return premiums and reinsurance:

Company.	Premiums received.	Assessment.
Ætna, Hartford.....	\$8,887.43	\$68.85
Amazon, Cincinnati.....	1,097.48	11.00
American Central, St. Louis.....	1,067.35	10.70
American Fire, Philadelphia.....	1,571.05	15.70
Arctic, New York.....	2,248.11	22.50
Atlas, Hartford.....	2,165.47	21.65
Berlin-Cologne, Berlin.....	9,601.05	96.00
British America, Toronto.....	2,922.56	29.20
Cal. Farmers' Mutual, S. F.....	9,240.17	92.40
Cal. Insurance Company, S. F.....	7,359.85	73.60
Citizens, Newark.....	1,836.46	18.35
Citizens, St. Louis.....	2,987.74	29.90
Commercial, S. F.....	12,221.73	122.20
Commercial Union, London.....	19,221.04	192.20
Connecticut Fire, Hartford.....	2,259.52	22.60
Continental, New York.....	1,451.45	14.50
Fairfield, South Norwalk.....	847.27	8.50
Faneuil Hall, Boston.....	3,143.20	31.40
Fire Association, Philadelphia.....	3,897.10	39.00
Fireman's Fund, S. F.....	10,715.08	107.15
Franklin, St. Louis.....	2,280.32	22.80
French Insurance Corp., Paris.....	3,788.15	37.90
German American, New York.....	1,867.42	18.70
Girard, Philadelphia.....	2,507.44	25.10
Glen's Falls, New York.....	1,644.40	16.45
Guardian, London.....	10,008.45	100.10
Hamburg-Bremen, Hamburg.....	19,199.34	192.00
Hamburg-Magdeburg, Hamb'g.....	6,807.22	68.05
Hartford, Hartford.....	2,873.95	28.75
Helvetia, St. Gall.....	6,970.15	69.70
Hoffmann, New York.....	918.62	9.20
Home, Columbus.....	2,316.80	23.20
Home, Newark.....	215.80	2.15
Home, New York.....	2,781.58	27.80
Home Mutual, S. F.....	20,393.90	203.95
Imperial, London.....	13,236.87	132.40
Insurance Co. N. A., Philad.....	2,227.95	22.25
Jefferson, St. Louis.....	710.50	7.10
Lamar, New York.....	1,241.94	12.40
Lancashire, Manchester.....	1,421.00	14.20
Liverp. & Lond. & Globe, Liverp.....	21,099.30	217.00
London and Lancashire, Liverp.....	2,231.85	22.30
London Assurance, London.....	8,486.58	84.85
Lycoming, Pennsylvania.....	3,593.70	35.95
Manhattan, New York.....	879.68	8.80
Manufacturers', Newark.....	2,475.00	24.75

Manufacturers', Boston.....	926.05	9.30
Merchants', Newark.....	702.50	7.05
N. O. Mutual Fire Ass., N. O.....	3,057.90	30.80
New Zealand, Auckland.....	11,173.45	111.75
North British and Merc., Lond.....	6,416.29	64.15
Northern Assurance, London.....	4,627.35	46.25
Northern, New York.....	1,553.70	15.55
Northwestern Nat., Milwaukee.....	1,069.30	10.70
Paterson, Paterson.....	504.67	5.05
Peoples', Newark.....	1,508.05	19.00
Pennsylvania, Philadelphia.....	1,456.95	14.55
Phenix, Brooklyn.....	1,138.00	11.40
Phenix, Hartford.....	2,589.83	25.90
Queen, Liverpool.....	13,236.87	132.35
Revere, Boston.....	1,677.34	16.75
R. I. Ins. Association, Prov.....	1,104.55	11.05
Royal Canadian, Montreal.....	8,466.32	84.65
Royal, Liverpool.....	4,269.85	42.70
Scottish Commercial, Glasgow.....	4,035.45	40.35
Security, New Haven.....	2,847.81	28.45
State Investment, S. F.....	24,348.25	243.50
St. Joseph, St. Joseph.....	724.15	7.25
St. Louis, St. Louis.....	1,519.24	15.20
St. Nicholas, New York.....	742.15	7.40
St. Paul, St. Paul.....	2,732.56	27.60
Svea, Gothenburg.....	19,293.65	192.95
Traders', Chicago.....	2,797.70	28.00
Transatlantic, Hamburg.....	9,032.50	90.60
Underwriters' Agency, N. York.....	3,890.25	38.60
Underwriters' Ins. Co., N. York.....	367.50	3.65
Union, San Francisco.....	18,755.90	187.55
Union, Galveston.....	1,012.43	10.10
Westchester, New York.....	3,244.47	32.45
Western Ass. Co., Toronto.....	1,396.22	13.95
Total.....	\$410,230.76	\$4,102.30

Cheap John Mortality.

Brother Hine, in his April *Monitor*, gently taps co-operative life insurance, in the following mild terms:

"The Mutual Protection Company, of Philadelphia, on the co-operative plan, which dropped the title of "life insurance" last year, and became a "beneficial" company, has made an assignment for the benefit of its creditors. A failure to collect assessments, a dropping off in the membership, an increase in deaths—13 occurring since January 1—are the causes assigned for the collapse. And these and kindred causes will, in the very necessity of the case, work the collapse of the plan wherever and whenever tried. Other than as a wheel within a wheel, the "co-operative" notion, so far as life insurance is concerned, is the shallowest of humbugs. Inside a masonic, or postal, or conductors' association, which is frater-

nal and benevolent in its structure, it sometimes works very nicely, because it is part of a benevolent, instead of a business, machine, but it lacks the very elements of business equity, and imposes an injustice upon its dupes which sooner or later seals its doom.

The "Bulletin" on Life Insurance.

If the *Bulletin* continues to write on the subject of life insurance companies in its present tone and temper, the public will begin to believe that there is a foundation for the panic-creating character which its enemies have given it. The failure of some life insurance companies has inflicted disastrous consequences on the community, but the disaster can only be aggravated by the course which the *Bulletin* has thought proper to pursue. If that journal is justified in preaching a crusade against life insurance in general, then its articles on the subject are not deficient in logical consequence; otherwise, they are incongruous, not to say mischievous. It is evidently the part of public policy to encourage the thrift and providence which life insurance is designed to induce, and it might have been supposed that a journal, writing with a desire for the public good, would insist upon the subject being viewed in this light, even when exposing its dangerous conditions. Such fairness would have been adopted in judging of other institutions—say, of banking and the press. Because banks sometimes fail, are we advised to keep our coin in old stockings and teapots? or shall we be counselled not to read a newspaper, because some portion of the press is sometimes deficient in dignity, decency, and truth? But the *Bulletin* insinuates such advice in regard to life insurance. Article after article has been written by it, parading all the shortcomings of the insolvent companies, without a word on the other side, except a line or two at the end, tinged with the damnation of faint praise for one or two companies whose record it was impossible to assail. What is now particularly complained of is that part of an article on underwriting (in the

Bulletin of a few weeks back), which alluded to the insolvent companies as having been loud in denouncing the legislation of the State in regard to life insurance. That legislation was also denounced by some of the strongest companies in the world, who withdrew their business from this State in consequence (much to the detriment of the people in general), and, therefore, if the merits of the law are to have the benefit of the insolvent denouncers on the one side, they must be judged by the solvent protest on the other.

The *Bulletin* has failed to point this out, as in fairness it should have done. Its dictum in this respect is but an echo of the Commissioner's Report; but the feeble emanation of Mr. Foard acquires something like force when repeated by a journal of respectable ability. The insolvent companies may have denounced the law from fraudulent motives, but the companies whose reputation is without reproach must have had fair reasons for their protest. The reason was not (as an editorial writer in the *Call* ignorantly asserted) that the companies were required to make a deposit, because there is no deposit required under the law referred to. And what security is there, as the law now stands, against any company now doing business here, which may be meditating a fraud or a failure? Does the provision that on any anniversary of the date of the policy the holder may demand its cash surrender value, give to these companies the security which the law professes to design? A depositor may demand any day his deposit at the bank, but will that prevent the bank from failing if the president is a fool and the cashier a thief? It is to be inferred from the Report of the Commissioner, which the *Bulletin* has adopted, that all the life insurance companies now permitted to do business in California must be safe. We shall hold him to the responsibility of showing that on the most rigid system of valuation *all* these companies have sufficient assets to cover the present value of their liabilities. The first-class companies which the law expelled, have always adopted this rigidity of valuation, and

it is but fair that the companies that remain should be subjected to it also.

State Supervision of Insurance Matters a Failure.

The storms that agitate the face of physical nature have their analogies in commerce and finance. After the hurricane the air is charged with a salubrity that did not exist before. The weaker forms of life have been swept away, but there is health and increased longevity to the strong survivors. Fire insurance has many times passed through this process of destructive purification, and now life insurance, it seems, is being subjected to a similar ordeal. To use again the language of metaphor: the sea is strewed with wrecks for many a league; but these are of rotten or unstanched vessels, which never contained the elements of faithful construction. For the details of the insurance system, the interest of the public in general has always been of a languid character, but it is being stimulated into something like activity by the smart of pecuniary loss. Many give up the case as a hopeless muddle, and others, in the haste of indignant disappointment, declare that all life insurance companies are liars and swindlers. The public is simply enduring the consequence of its own indifference. It is not to be expected that any one not in the profession will penetrate into the intricacies of actuarial science, but an exercise of the ordinary care that obtains in the generality of business affairs would have saved a world of misery or of mental anxiety. Of those who have suffered by the recent failures of life insurance companies, probably more than one-half were content to rely on the persuasive eloquence of the insurance solicitor, and the remainder considered themselves secure in the supervision of the State. Indeed, it was quite customary for the agent of a doubtful company to refer his customer to the Insurance Commissioner, who was hardly expected to stultify himself by refusing a personal endorsement to what he had certified as correct in his official capacity. The unfortunate policy-holders have been deluded by a promise

of protection which it was impossible to perform.

Better that they had been left to their own intuitions. It is the old distinction between ignorance and error. The one may lead nowhere, but the other is sure to mislead in a destructive direction. It is among the principal evils of protective legislation, that it destroys the habit of self-reliance; and these evils are considerably aggravated when the law does badly what the individual might do sufficiently well by his own intelligence. What is now done, or attempted to be done, by the Insurance Commissioner, could be more efficiently performed by the policy-holders themselves, or by an actuary elected by them for this purpose. What are now the conditions of the Commissioner's investigation? At the end of the calendar year he is required to examine the affairs of perhaps a hundred companies, and to report thereon in a month or six weeks. He has not the time, even if he had the ability, for a thorough and faithful examination. He must rely almost entirely on the good faith of the companies' officials, and this can be as well done by the policy-holders, without his intervention. And in regard to companies whose head offices are out of the State, what sources of information has he which are not equally accessible to the public at large? Besides, there is always more danger of collusion in a public officer than in an agent appointed on private interests. While breach of trust on the part of government officials has become a characteristic of the age, it is rare to find among the scientific professions a case of treachery to private constituents. It is not, it is true, an irremediable defect in the system of State supervision, that the Commissioner is often appointed without regard to his special training, and we mention this part of the subject only incidentally. If it is necessary that the interests of the policy-holders should be confided to the inquisitions and perquisitions of a public officer, he should be qualified at least as an underwriter with some practical experience. The salary attached to the office of the California Commissioner is not sufficient to at-

tract a man of eminent ability who might desire to avoid the temptations of corrupt solicitation. What Blackstone says of the administration of the law is eminently applicable to a Commissioner of Insurance. He should be not only pure, but even above suspicion.

It is perfectly in consonance with the principles of commercial jurisprudence that insurance companies should be compelled to make a periodical exposition of their assets and liabilities. It is the part of public policy to prevent fraud, as it is the office of the law to punish it. It is, however, not strictly within the province of government to act as accountant or actuary in the examination of accounts between one class of people and another; but if it undertakes this function, it should perform it perfectly, and should recognize its responsibility to its constituents in a practical manner. The relation between the government and its client should be the same, not only as agent to principal, but as endorser to endorsee. As matters now stand, the victims of the insolvent companies and State supervision are in the position of the holder of a dishonored note, who trusted principally to the solvency of the endorser. Of course, the State would not think of proposing indemnity from the public funds, and we advance the illustration simply to reduce the argument to an absurd conclusion.

It may be fairly asserted that State supervision has been tried in the balance and found wanting; it has not prevented the establishment and failure of inefficient companies; it has lulled the policy-holders of those companies into a delusive security by pretending to the power of managing their affairs; it has been an injury to the solvent companies by associating them, year by year, with the insolvent on the same official grade. Commissioner Row of Michigan, the President of the Insurance Commissioners' Convention, declared that "State supervision must be held responsible for the organization and continuation of the fire insurance companies that have failed within the last ten years." Elizur Wright, of Boston, the well known actuary, who denounces the opponents of State supervision as "howlers,"

is said to have admitted in regard to life insurance, that there is nothing valuable in the Massachusetts insurance law but the provision for compulsory valuation. This also we object to.

It is a monstrous grievance to the substantial life insurance companies, who have been driven from this State by the insurance laws, that legislation has not only prohibited the public from making contracts with these companies, but has attempted to override the contracts already in existence. The proposition of a compulsory surrender value not called for in the contract belongs to a principle utterly at variance with constitutional law. Assuming, however, that the demands of the insurance law could be sustained on the principles of the constitution, it is by no means certain that companies could safely pay surrender values upon the arbitrary computation established by the Legislature. The scale of surrender values has been fixed by the law upon assumptions which, though generally recognized by actuaries, are not always in accordance with general experience. The variations between one company and another have been so wide as to suggest more caution in the matter of marginal reserves. Each company must be guided by its particular circumstances. A great number of withdrawals from a company doing a limited business might increase the ratio of mortality and expense among the remaining members. To guarantee against this contingency, it is fair that the withdrawer should submit to a reasonable mulct, at the discretion of the company. After an existence of nearly two centuries, life insurance has not yet become so fixed a science as to dovetail with the theories that have been set up in actuaries' tables. This is no disparagement to the system, for where, except in pure mathematics, is fixity to be found? Not, certainly in the three learned faculties, so-called, of Law, Physic, and Divinity. Law, which is the growth of a thousand years of instances and precedents, is proverbial for its uncertainty. Physic, which has been practised since the world begun, is yet in a state of tentativeness, not to say empiricism;

and Divinity is still puzzling over the problems that perplexed it at the Flood. It is not wonderful, therefore, that life insurance, with only its hundred and fifty years, should not yet have attained to the rank of a positive science. It is doubtful whether men, who have passed their lives in the study of insurance, know all there is about it, but it is certain that their knowledge cannot be augmented by the experience acquired by Mr. Commissioner Foard, either in office or in his antecedent career. Nor will the subject be much elucidated by the inspirations of those half-inch statesmen in the Eastern States, who are loading the tables of the legislatures with piles of preposterous bills. The COAST REVIEW, as is well known, was formerly on the side of State supervision, but an experience of the imperfection of that system has induced us to go squarely against it. We extend the right hand of fellowship to Brother Hewitt, of the *Chronicle*, and ask to be admitted into the ranks of his allies.

Salaries Paid to Officers of Life Insurance Companies.

It has been said by some cynical observer of human nature, that "it is the sign of a fool to propose a remedy." We do not know whether this dictum is of universal application, but it is obvious that the remedies proposed by the life insurance doctors of the New York Legislature are not of a nature to exclude them from the meaning of the proverb. The legislative quack is of a species much more objectionable than his congener in the department of medicine; for, while the nostrums of the latter are taken or not, at the discretion of the patient, those of the former may be forced down the sick man's throat by legal compulsion. The sumptuary laws of the darkest part of European history hardly went further in the foolish and pernicious direction which is indicated by the spirit of the legislation referred to. Of course, any laws that may be made under such inspiration will be suffocated in a short time by the weight of their own absurdity, but they may live long

enough to perpetrate an intolerable mischief. Under the state of things shadowed forth by the preliminary inquisitions of the New York Legislature, business and life in general will become a system of legal conglomeration. We shall eat and drink, not by the card, but by the Code, and the Statutes at Large must stand on every man's kitchen table along side of the Cookery Book. Many of the insurance laws that are being introduced into the Eastern Legislatures are the very dregs and rinsings of the human intellect. It is almost unnecessary to apply to them the analysis of argument.

What we now particularly allude to is the demand made by the Legislature of New York for a statement of salaries paid to presidents and other officers of life insurance companies. We are induced to believe that an attempt will be made to regulate their salaries by law. What principle may underlie such a policy which does not apply with equal force to all other corporations and to every private business, it is hard to conjecture. The right of the insurance companies to purchase the services of the best men that can be obtained, at their market price, will probably, if necessary, be sustained by the courts.

At this point we might dismiss the subject as of no practical importance, but the tone and temper with which it has been discussed by the indiscriminating denouncers of the life insurance companies, have led the policy-holders to believe that their security is endangered, and the cost of their insurance increased by the inordinate remuneration of their companies' officials.

Let us look at the matter statistically: It may be granted that the president of a life insurance company should be a man of consummate ability. His specialties should comprise not only a well-grounded knowledge of the system on which his proper business is based, but also a high degree of expertness in other sciences which bear collaterally upon it. And in addition to the qualities that come from education and training, he should possess that intuitive art of penetrating the character of his subordinates, and moulding them to his purposes, which

is only given to men of genius. The details and ramifications of the vast system which the president of a first-class life insurance company is called upon to administer, will leave him little time for the accumulation of wealth in other directions.

There are men such as we have described in our hypothesis, and how are they rewarded? And how does their remuneration compare with that of persons of analogous or even lower rank in other professions? We take the first case that presents itself to our notice. We have not selected it; there are many more in the same category. The Mutual Benefit Life Insurance Company of Newark, New Jersey, is not the largest life company in the United States, but its operations are very large. It has 43,000 policies in force, and its assets are about \$33,000,000. The salary of its president is \$12,500 per annum, and the united annual salaries of the vice-president, secretary and treasurer amount to \$24,250. These three officers receive together hardly more than is paid by the Nevada Bank to its manager alone, whose annual salary is said to be \$20,000. The duties performed by Mr. Grover, the President of the "Mutual Benefit," are fully as onerous and responsible as those of Mr. McLane; and the compensation of the latter exceeds that of the former by one-third. We are told also that Mr. Grover is a lawyer of distinguished ability, who might easily earn by the practice of his profession at least as much as by his official position. Who, now, can say that the particular example we have quoted is one of extravagance?

The "New York Life," with assets of about \$33,000,000, pays its president an annual salary of \$31,250, but about two-thirds of this sum is on account of an equivalent given by him to the company in direct business, and should properly be charged to commission account. The same may be said of the Equitable of New York, which, with assets of about \$29,000,000, pays its president \$37,500.

The Mutual of New York is the largest life company in the United States. Its assets are over \$80,000,000. President Win-

ston's compensation is \$30,000 per annum, and the united annual salaries of all the officers and employees is \$381,847—not a small sum positively, but comparatively to the business represented by it, certainly not a large one.

The receipts of this company, in 1876, were about \$20,000,000; the charge therefore for salaries on the annual business, is less than two per cent. On the amount of policies in force at the beginning of the present year—\$301,278,037—the same charge is little more than 1-10 of one per cent. Eliminating from the salary account the amount paid to employees who are not officers, the remuneration of the latter in regard to the vast volume of business subjected to their supervision, would be a fraction of a unital percentage too minute to be regarded.

In the matter of economical services the life insurance companies may challenge comparison with any other business, whether corporate or private. From the correspondence of one of our exchanges we find that in New York six bank presidents receive annually \$50,000 each; nine range from \$25,000 to \$30,000; and that the minimum in this department is \$10,000. The higher officials of the steamboat and railroad interests receive from \$10,000 to \$75,000. The superintendent of a large sugar-refinery is not considered overpaid by an annual remuneration of \$50,000, and the mysteries of the brewing business are presided over by experts at annual retainers from \$10,000 to \$25,000. Life insurance, in our opinion, is superior to sugar, as important as banking, and much more so than beer. But who disputes the right of the refinery to get the best sugar for \$50,000, if the same cannot be got for \$40,000? or who presumes to interfere with it at all? An attempt of the Legislature to flood the country with bad beer, at \$10,000, when the best could be had for \$20,000, would cause a revolution among the drinking population.

We shall say no more—the force of satire could no further go. As a nationality we have been accustomed to look on the legislation of older States with something like the disdain of superior intelligence; but it

seems that we are recomposing those arbitrary and inquisitorial laws which have been exploded by them amid ridicule and contempt.

Communicated.

SAN FRANCISCO, May 2, 1877.

EDITOR COAST REVIEW :—A discussion of disputed points that arise in our business cannot but result in good to all concerned ; so, with your permission, I wish to criticize an article in your April number, more with a view of drawing forth replies, than because I endorse all the propositions and suggestions I may make use of.

The article I refer to is that one wherein you embody the referee case of Callahan *vs.* several insurance companies.

I will put my communication in the form of queries, that may be answered by either arbitrators, or any other gentlemen in the profession :

Query First—How can this be called an arbitration of Callahan *vs.* several insurance companies, when the first party was not represented in the arbitration ? Was it not rather a dispute among the several companies ?

Query Second—Inasmuch as there was a possibility of Callahan not receiving pay for all articles claimed as destroyed, should he not have been represented ?

Query Third—Was it not the duty of the arbitrators to interpret or apply the contracts just as they were presented, without power to add to or take from them a single word ? Could they expunge the word "unmanufactured" ?

Query Fourth—By what authority do they claim that "unmanufactured and in process of manufacture" are synonymous terms, thus making the policy apply on but two classes of goods, "manufactured" and "in process" ? Does not the word "and" in that clause legally and equitably separate the word "unmanufactured" from the words "in process," clearly showing that the property was to be insured in three different stages rather than two ?

Query Fifth—In interpreting a contract, is it not to be supported rather than defeat-

ed ? Is it not to be construed so as to include the whole of it, rather than to destroy or expunge any part of it ?

Query Sixth—Are not insurance policies, leases, or any other contracts, when they are framed by one party solely, to be construed most liberally towards the party who adopts or accepts, and against he that frames the same ?

Query Seventh—When words of a double or doubtful meaning are found in a policy, will the company not be held to what they (the company or agent) supposed the assured to intend, especially when that agrees with the real intention ?

Query Eighth—From the customs of the business, is it not apparent to everybody what that word was intended to cover ?

Query Ninth—Suppose there had been no other insurance, and the fire had occurred on the day the party opened his factory, before any of the packages had been broken, but while they lie in the factory to be worked (for instance) that day, do these gentlemen think the French Corporation could have evaded the loss entirely ?

Query Tenth—Why are the labels covered by the State Investment and other policies covering on merchandise, rather than the French, which covered on the article for which the labels were printed ? Were they merchandise, considered apart from the soda and other articles for which they were printed ? If merchandise, did they have any commercial value above waste paper, when their connection with the manufacture of soda, etc., was dissolved ?

Query Eleventh—Where do the arbitrators find any law or decision that authorized them to apply the whole of the \$10,000, other insurance, to help the French pay their loss, after deducting the amount of loss in basement and articles not covered by French policy ? If because the \$10,000 other insurance were considered blanket policies and the French a specific policy, then what proportion of the \$10,000 would the French have had for contributing insurance, supposing there had been another specific policy of say \$2,500, with a \$1,000 loss thereon, applying only in the basement ?

If the above can be answered and reconciled with the decision referred to, it will enlighten your correspondent.

"QUIZ."

Insurance Brokers.

Some of our broker friends have taken exception to our remarks about insurance brokers in our issue of the 24th instant. We have found out it is impossible to please everybody, and our advice may not always be acceptable; but we will say to those only who need it that it would be well for them to put their house in order. If the assured employs a broker in transacting his insurance business, it is his privilege to do so; if he demands of the broker that he must obtain the very lowest rate possible, it is also his privilege; if he demands of the broker that he must have half or part of his commission, it is still his privilege. If, after this division, the broker puts the balance of the premium in his pocket, it may be said that it is only the effect of a cause, and the assured may finally gain a little wisdom from experience. In an insurance point of view, the company should receive a fair premium to enable it to pay its losses and leave a little profit to the stock-holders. The system of "brokerage," however limited, as above, is a drain on the companies, for the keen-eyed business man frequently discovers that the broker is a poor man and must have a living, and hence will tell him: "See at what rate you can place this risk at. If you can place it at less than I am now paying, you can do so." This puts the broker on his mettle, and he will use every art known to a man who is "out of meat and must have it." Result—the rate is lowered; the next broker must obtain a less rate than the last, and so on, until the company breaks up or refuses to take such business as a broker of the kind alluded to represents. No company is interested in their success, and consequently if he gives a company a bad risk at low rates, he can save his conscience by saying that it is his business to make application for the insurance, and it is the company's business to grant the insurance or refuse it, and that

far he is right; for if the company has not sufficient firmness to refuse such business, it should take it, and—break up. There are brokers whose office is in their boots, their money and interest in their commissions, and their usefulness—"nowhere." There are some who have built up a respectable line of business, obtain fair rates, and pay their bills, and are not to be classed with the kind who spring up in a day, then slyly skip away, nor with that other kind who don't most always pass the money over the first time so soon as he receives it, although he may have been in the business eighteen or twenty years ago.—*Cincinnati Enquirer*.

The Right of a State to Exclude an Insurance Company without Cause.

DECISION OF THE SUPREME COURT OF THE UNITED STATES IN THE CASE OF DOYLE vs. THE CONTINENTAL.

The decision of the Supreme Court of the United States in the case of Doyle vs. The Continental Fire Ins. Co. is attracting considerable attention. The points of the case are simply these: Under the law of the State of Wisconsin it is among the conditions on which insurance companies, not chartered by that State, are permitted to do business there, that in the event of litigation with policy-holders the company shall waive its right to remove the litigated matter to the Courts of the United States. In the matter of a claim set up by Doyle against the Continental, the latter refused to recognize the stipulation for such a waiver, and removed the case to the jurisdiction of the United States. Whereupon the State of Wisconsin revoked its license. On an action brought to restrain the Secretary of State from canceling the certificate, and on an appeal therein to the Supreme Court of the United States, it was decided by that tribunal that the agreement to abstain from resorting to the Federal Courts was against public policy, in conflict with the Constitution, and therefore void. But it was also ruled that the intention of the Wisconsin Legislature to accomplish an illegal purpose

was immaterial, as a State has the right to exclude from its territory any company chartered by another State. It was further ruled that a license, as in the premises, may be revoked for cause or *without cause*, and that the motive of the State was beyond inquiry. As three of the Justices of the Supreme Court dissented from the opinion of the rest, the ground of that opinion may reasonably be traversed without presumption. The Continental was ejected from the State of Wisconsin without cause, or at least without such cause as could be recognized by the Court of last resort. It seems to us that this precedent may give rise to serious complications, and may open the door to an infinity of abuses and corruption. It renders practicable that principle of invidious discrimination which has been charged against the Central Pacific Railroad Company, and which has been so loudly clamored against in the Legislature of this State.

The right of a State to exclude or eject the corporations of other States may be conceded, but this right must be exercised by a general law, and not by special legislation, adapted to particular instances. The latter procedure is, in our opinion, in conflict with that part of the Constitution which prohibits unequal laws, and we contend that the equality of the law is as much the right of an association of individuals as of each individual composing it. The dismissal of the Continental from the State of Wisconsin was as much a violation of constitutional law as the agreement to abstain from federal jurisdiction. This company, at the time of its expulsion, was not technically in a different category from the other companies not chartered by that State, as the cause alleged against it was no cause at all in point of constitutional law. The status of the Continental, in a constitutional point of view, was so far superior to a corporation chartered by the State of Wisconsin, that it was not a creature of the State, and could be dealt with only by general and constitutional laws. It may be urged, technically, on the other side, that all corporations are artificial creations, and therefore not invested with the rights that belong to natural per-

sons. We have heard that corporations have no souls, or as Counsellor Lake very elegantly expressed it, in the case of the C. P. R. R. against Cohen, "they have neither souls to be damned nor bodies to be kicked." But even as things, some general system of legislation, if legislation be necessary at all, should be had regarding them. If the entangling relations which now exist between one State and another in regard to insurance companies are to be complicated still further by the decisions of the Federal Courts, it is better that the matter of insurance legislation for the whole country should be placed exclusively and at once under federal direction.

The Critics Criticized—The Reviewers Reviewed.

A man must serve his time to every trade
Save censure—critics all are ready made.

Byron.

It has been the custom from the earliest period of journalism for editors to exchange compliments as well as papers. Often, these compliments take a form that is the reverse of laudatory, and impress the reader rather with the vigor of the writer's vernacular than with the elegance of his taste. The obligations we lie under to our contemporaries are chiefly for compliments of the better sort, and, when we can do so justly, we endeavor to reciprocate in kind. In order that we may discharge our debts both to friends and foes with the certainty of not omitting any one, we have conceived and executed the idea of noticing all our exchanges in one article, for which we hope we shall receive acquittance in full, at least for the present. It speaks well for our profession, that the language we have been enabled conscientiously to use is principally that of laudation. If any of our brethren think that we have criticized them unjustly, or damned them with the censure of faint praise, we freely permit them to use against us the poetical couplet at the head of this preface. They may tell us that it is easier to criticize their faults than to correct our own. This we are willing to admit in the beginning.

The Insurance Monitor, edited and published in New York City, by C. C. Hine, claims to be the oldest insurance journal in the United States. It was established in 1853, and has therefore almost completed the first quarter of a centenary existence, which we believe it is destined to enjoy. It started with a reputation for research and first-class editorial ability, both of which it has sustained during the many years of its progress. The April number, which we have studied carefully, is replete with information on all the essential subjects of its specialty. Many of its articles are elaborate essays, and indicate a scientific familiarity with the subjects they are designed to elucidate. The typographical execution of this journal leaves nothing to be desired, and the same may be said of all our insurance exchanges.

The Insurance Law Journal is a monthly, also from the office of the *Monitor*. It is a digest of decisions in insurance cases rendered by the State Supreme Courts and by the Supreme and Circuit Courts of the United States. A file of this journal should be a part of every insurance library.

The Chronicle, a weekly insurance journal, published in New York City, by J. J. W. O'Donoghue and E. A. Hewitt. The "purple light" of the *Chronicle's* neat cover is always a gratification to our ocular sensibilities. The color of the *Chronicle's* outward and visible sign is happily chosen, and typifies the character of its inward and spiritual grace. Purple is the imperial color, the color of command, and the *Chronicle* has always a commanding power over the subjects that fill its pages. We are proud to find that Brothers O'D. & H. sustain our opinions on the subject of State supervision, insurance salaries, and other interesting matters. The *Chronicle* has many merits, among which we particularly commend its conciseness of style.

The Western Review, edited and published by H. L. Aldrich of St. Louis, is entitled to be placed in the higher ranks of insurance literature. It is careful in the compilation of statistics, judicious in the selection of sub-

jects and skillful in the art of condensing them into a readable shape. The number now before us contains an article on the returns of reserves to withdrawing members of life insurance companies, which denotes a prudential survey of the system; also, among other legal matters, an opinion of the Court of Appeals of Missouri, in regard to the rights of policy-holders in companies which have re-insured. The *Review* opines that policy-holders, in the case of a regular policy on which premiums are being paid, are not compelled to become members of the new company, and are entitled to their share of the assets of the company in which they were originally insured. This seems to be in accordance with equity and sound policy. The legal department of the *Review* is always valuable for present use and future reference.

The Insurance Journal, of Hartford, Conn., published by H. R. Hayden, has all the prestige that belongs to a locality of which successful underwriting is a prominent characteristic. Its literary and journalistic standing in general are such as befit an organ of the extensive interests which it is designed to represent. A little too much of the *ex cathedra* tone rings out in its criticisms on contemporary editorials; but the logic of its objections is generally conclusive. The *Western Review* is in turn reviewed for its very obsolete idea that the burning of property fully insured is no loss to the country because the repair or rebuilding furnishes employment and wages. Production not employment, is the source of a nation's wealth. This is diminished, of course, by destruction, whether in the shape of war or fire. We note that some of our ideas on State supervision have been anticipated in the number of the *Insurance Journal* that now lies before us.

The American Exchange and Review is a monthly, published in Philadelphia. Like the city of its nativity, it is prim, precise and decorous. There is a rectangularity in its style of writing and method of management which seems to pertain to everything that is Philadelphian — the streets, the houses, the people and their habits. This

mathematical correctness is delightful to the admirer of physical and intellectual order; but it is a little monotonous. The articles of the *Exchange and Review* belong to the heavy artillery of insurance journalism, and do effective service. The practice of discursiveness is in no wise permitted. These articles stick to the point, and gain it. The *Exchange and Review* is highly esteemed by its contemporaries and by the insurance interest in general.

The *New York Weekly Mail* is a semi-insurance paper, one-half being assigned to the motley matters that men say, do, think, and dream of. The insurance department is well managed, and is an epitome of what should be presented on this subject to the perusal of the public. The other part is rich, abounding, full of variety. Scissors and paste-pot editors are much indebted to it for a copious fund from which to make selections.

The *Australasian Insurance and Banking Record* is of a substantiality and potentiality which are prefigured by the columns of pounds sterling that glitter on its frontal cover. This paper hails from Melbourne, and had reached its second number in February last. That number is now before us. Human nature, as we know, and insurance nature, as we suppose, is the same from China to Peru, including Australia. We are not surprised, therefore, to find in our antipodal contemporary the same complaints of shading rates, of "touters" (a class of animals corresponding to our drummers), etc., about which we ring the changes from time to time. It does not appear, however, from the *Record* that the Commissioner insect (*Commissionator vastator*)—(we will not be responsible for the correctness of this latinity) has commenced its ravages in that fifth quarter of the globe. In the absence of this and other exciting causes which are agitating us at present, the Australian insurance topics are rather dull, which is a good sign. It has been said, "happy the people whose annals are dull," and the same may be said of insurance annals. The officers of the fire insurance companies in Melbourne

meet annually at a picnic. Should this most honored observance be imitated in this locality, we hope to be counted in.

The *United States Insurance Gazette and Magazine*, published in New York City by G. E. Currie, is some way past its teens. We believe it attained its majority about a year ago. This, according to the expectation of journalistic life, is to be old. Unlike women in this respect, journals do not object to be complimented on the maturity of their years. Brother Currie began business with a good sound stock of shrewdness which has increased with his increase of years.

The *United States Review*, published in Philadelphia every Wednesday, is correct and concise. We are indebted to it for its tabular statement of salaries paid to the officials of life insurance companies. We have used this statement in our editorial on this subject.

The *Finance Chronicle and Insurance Circular*, we have from London. It is published weekly, and is a very useful and interesting contribution to our fund of insurance knowledge. The April number treats on the necessity of fire inquests. In some countries the coroner makes inquisition into the causes of fires. By report of a Parliamentary committee, the coroner formerly exercised that power in England, but it seems illegally, as the courts ruled against it. It appears that in Australia, an inquest is held in all cases of fire, and that the effect has been to reduce their number. In many cities on the continent of Europe, the inquiry into the cause of fire is conducted by the police. Our London contemporary gives us the synopsis of an interesting lecture on labor and longevity. It seems that brain work is very conducive to long life. A table of the ages of eminent mathematicians gives them an average of 79 years. Poets of similar standing are more favored still, having 85 years. The lecturer maintains the comfortable doctrine, that we should partake freely of the good things that are provided for our sustenance. Asceticism of diet is not favorable to the growth of the mental faculties, as was formerly supposed.

We presume that such asceticism in these days comes only from compulsion.

The Baltimore Underwriter wants some of the afflatus of former days, when it was published monthly. It is, however, a very good paper. We call attention to its comments on the "Mutual Protection," a Philadelphia co-operative, which has gone to the bourne from which no money is ever returned. A similar organization at Chicago is the subject of an uncomplimentary effusion. Co-operatives, even when honestly conducted, are liable to many objections. Under other circumstances, they are "battle, murder, and sudden death."

The Insurance Times, of New York City, has a decided idiosyncrasy. Its typography is of Bobbingnaggian proportions, and its captions colossal. We remember learning to read in a primer on as large a scale. The *Times* has also the peculiarity of being edited, published and proprietored by Stephen English, whose individuality often appears in letters personally signed both in his own paper and elsewhere. Mr. English is otherwise well known to the insurance interests, and has endured troubles and tribulations on their behalf. We believe that, although he has suffered for them in person, he has benefited in purse. We understand that he was once incarcerated for his opinions, but was released after a short duration, and indemnified by a good, round sum of money. The journal of Mr. English is on the sunny side of respectability and other ability.

The Insurance Critic of New York and Chicago, is an unpretentious and business-like monthly, of circumscribed volume. Its historical sketches are well written and interesting.

The Journal of Commerce. Our Canadian cousins contribute their quota in the shape of this journal, published in Montreal. As its name implies, it is not devoted exclusively to insurance. The journal is quite astounded that American life insurance companies should pay such heavy salaries to their officers. The magnitude of business done by a first-class life insurance company

on this side of the border is altogether beyond the scope of the provincial imagination. The "Mark Tapleys" of our insurance journals, who are facetious over our life insurance disasters, are also a matter of wonder to our matter-of-fact contemporary. We have Shaksperian authority for our hilarious philosophy—

"For gnarling sorrow hath less power to bite
The hand that mocks at it, and sets it tight."

Besides, we are not in such a bad way as the *Journal* supposes.

The Insurance and Real Estate Journal, of New York City, is especially valuable for its fire charts. Its general merits also are of the first class.

The Insurance World is from that city of smoke called Pittsburgh, but it is smart enough to flourish in a more translucent atmosphere. We commend its epigrammatic style to the imitation of some of the ponderous metropolitans.

The Insurance Agent and Insurance Review. This is among our English exchanges. It is popular in style, and costs only twopence (four cents). It is worth more.

The Insurance Advocate we receive from Richmond, Virginia—a journal of limited dimensions, but supplying in quality what it lacks in quantity.

The Investigator, of Chicago, supplies us often with useful notes. Its fire insurance chart is a valuable appendage to our office.

The New York Underwriter.—Brother Ecclesine must pardon the accident of our not placing his valuable journal among the first on the list. We had exhausted our vocabulary of panegyric when we stumbled on a little book, not generally known, called "Webster's Dictionary" (Unabridged), in which we find a few words not yet enlisted in our service. We will draw on them for Brother Ecclesine's benefit. We do not know the exact age of his journal, but it dates from a period beyond which the insurance memory of the writer goeth not. There may be older insurance papers than the *Underwriter*, but there is none better. If Brother Ecclesine is not the Nestor of insurance journalism, he is the Achilles or the

Ulysses, or both rolled into one. The *Underwriter* comes to us only semi-occasionally. Would it were oftener.

The *Insurance Age*, of New York City, must be content with our thankful appreciation expressed in the simplest form. We have run over the whole gamut of eulogy, and have a horror of monotony.

Yeager's Herald and *Rollin's Ditto* (both of Chicago) are the two Dromios of periodical literature, and like their Shakspearian prototypes, are playing a prominent part in a comedy of errors. Unlike, however, the Dromios of the drama, they are not twins, one being illegitimate. The facial aspects of these two journals are precisely similar, except that Yeager slyly inserts the word "Insurance" in very minute characters between the two other words of his title. The little surreptitious word is intended only for microscopic observation, but it can be seen occasionally with the naked eye, and so can be the trick which it is designed to play. The contrivance is too thin. We believe that Yeager is the "Original Jacobs," but that he sold out to Rollins, and then endeavored to supplant him.

And now comes the rabble: The Insurance Reporter of Philadelphia, the Index of Boston, the Underwriter of Philadelphia, the Avalanche of New York, the Agents' and Brokers' Magazine of New York, and the Spectator of New York are the Cossacks and Bashi-Bazouks of insurance journalism. They skirmish and plunder around in the rear of the regular army, and reflect discredit on the operations of the latter. The reason for their existence may be satisfactory to themselves, but it is not so to the public in general. The satirist who libelled Cardinal Mazarin pleaded in excuse that he "must live," to which the Cardinal replied, "I do not see the necessity." We also do not see why these guerillas should live at all. That they do exist, is not the fault of insurance journalism, but of the companies which consent to be their victims.

—The Western policy-holders of the Mutual Life Insurance Company propose to hold a conference at Chicago.

Incendiarism.

From Chico again comes another case of atrocious incendiarism which unfortunately finds many parallels in all parts of the country. About one o'clock of the morning of the 20th of April a large barn belonging to John Garner, about five miles from the town, was set on fire and burned. The diabolical character of this outrage was considerably aggravated by the cruel destruction of animal life. In the stables, it is said, were thirteen fine horses. It was found impossible to save them, and their cries, as the torturing flames swept across their stalls, is described as heartrending. A large quantity of agricultural machinery was also destroyed, together with about 400 sacks of barley. The total loss is about \$5,000, and of this \$3,475 was paid by the California Farmers Ins. Co. It seems that the land on which the barn was situated is held by Mr. Garner on a disputed title, and that much hard feeling has been engendered against him on account of his possession. Last Summer the standing grain was set on fire five times in one day. It was thought at the time of the fire, on the 20th of April, that the incendiary would be caught, but we have not yet heard of his apprehension. We are glad to learn, however, that Jones, who was accessory to the burning of Bidwell's Soap Factory, has been arrested and convicted. The extent to which the crime of arson is now being carried must soon force itself to the attention of the Legislature. Of all crimes, this one is the most easy to practice without detection, and according to the general principle of law, the heaviest punishment should be meted out in all cases that can be proved. All fires should be made a subject of inquisition by the police, or by an officer specially appointed for the purpose. The public in general have been for a long time taxed for the impunity of incendiaries in the increased rates of insurance. It is computed on a twelve years' experience in the City of New York, that one-third of the fires there is caused by incendiarism. In California, probably, there is a great deal of this crime, which is not

perpetrated with the intention of defrauding the insurance companies, but the loss of property thereby is equally disastrous to them and to the public at large. Malice, revenge, and that class of wanton mischief which goes by the name of hoodlumism, swell the volume of fire loss. And another cause, as has been shown in the well-known Chico outrages against the Chinese, is the lawlessness engendered by the doctrine of those so-called "labor unions," which arranges one race in deadly hostility to another. From the burning of Chinese shanties it is only one step to the practice of professional arson. We are happy to note that five of the Chico incendiaries have been convicted and sentenced to the heaviest punishment allowed by the law.

Geo. F. Grant to Mrs. Charlotte S. Eddy.

We select the softest pen and dip it into ink of the brightest violet hue (it ought to be rose-colored for the occasion), in order to chronicle the happy event which is above prefigured. The party of the first part is our good friend Geo. F. Grant, of the North British and Mercantile, and the party of the second part is an estimable and accomplished lady. They are now on their nuptial tour, and are visiting the Geysers and other places of celebrity. Our vocation as editor of an insurance journal has made us more familiar with figures of arithmetic than with figures of poetical speech, and we must be pardoned, therefore, if we have not the grace of complimentary expression that is congenial to the subject. But good and kind wishes can be conveyed in any phrase, however homely. May fortune's favors be showered on the wedded pair, and may their present happiness be perpetual. The bride-cake sent us has been thankfully eaten, and the champagne has also gratefully disappeared down the editorial throttle; but from both these sources of inspiration we can produce nothing brighter than this dull notice. We advise all our single friends to get married, not for the sake of the vinous tribute, but to give us practice in the art of nuptial noticing.

Mortgagees May Effect Additional Insurance Without Permission.

The right of a mortgagee, either first or junior, to insure his interest fully, without prejudice to his own or other insurance on the same property, has been substantially asserted by a decision of the Massachusetts Supreme Court. The case is that of the City Five Cents Savings Bank *vs.* The Pennsylvania Fire Insurance Company, and the salient points are as follows: A policy of \$5,060 was issued by defendant to a certain Wiswall & Son, the owners in fee of the property, and made payable to the plaintiff, as mortgagee. Subsequently Wiswall & Son executed a second incumbrance to one Bispham, the premises being still subject to the plaintiff's mortgage. Bispham then effected insurance to the full amount of his interest. Subsequently a loss occurring while both policies were in force, the defendant resisted the plaintiff's claim on the ground of the additional insurance without permission. The Supreme Court of Massachusetts found for the plaintiff, and the Supreme Judicial Court affirmed the decision. It appeared that the plaintiff knew of the additional insurance, as he stated this fact in his proof of loss. But the Courts held that this circumstance did not invalidate his policy. Bispham had the right to protect his interest without reference to any previous insurance, and without prejudicing either his own policy or that of the first mortgagee. The decision is in accordance with the best authorities on the subject of insurance for the purposes of pure indemnity. Duer says: "I see nothing to prevent an insurance without limit of amount; other contracts of indemnity are so made." It is also consonant to the California code, which recognizes this principle in the right to insure against any event that may possibly damnify the party applying for insurance. A mortgagee may therefore insure his full interest without regard to contracts made by the companies with the mortgagor or his assigns, and can recover the full loss that he may have proved. Some companies, however, object to issue a policy of pure indemnity within the meaning of our definition.

ITEMS FROM ANNUAL STATEMENTS

for the Year ending Dec. 31st, 1876, of the American Fire Insurance Companies doing Business on the Pacific Coast.

Name of Company.	Cash Capital.	Gross Assets.	Liabilities, except Capital.	Surplus as to Policy-Holders.	Fire Premiums received, 1876.	Losses paid, 1876.	Total Income, 1876.	Total Expenditures, 1876.	Expenditure to Income.....	Losses paid, to Premiums received.....
California, San Francisco.....	\$300,000	\$560,704	\$100,206	\$460,498	\$90,655	\$26,649	\$211,879	\$163,200	.77	.29
California Farmers', San Francisco.....	150,000	310,411	90,293	220,117	64,630	28,228	67,194	56,485	.84	.43
Commercial, San Francisco.....	200,000	400,836	113,552	287,283	125,764	119,280	244,517	295,633	1.20	.94
Fireman's Fund, San Francisco.....	300,000	703,621	278,498	425,122	401,128	246,291	558,033	554,862	.99	.61
Home Mutual, San Francisco.....	200,000	595,291	189,688	305,602	342,814	117,814	371,372	286,165	.77	.34
State Investment, San Francisco.....	200,000	419,448	174,296	245,152	239,662	199,735	338,104	397,244	1.17	.83
Union, San Francisco.....	750,000	1,027,921	124,392	902,630	161,348	44,438	359,730	367,316	1.02	.27
Etna, Hartford.....	3,000,000	7,115,924	2,170,388	4,945,236	3,238,269	1,729,854	3,538,196	3,349,596	.94	.53
American, Philadelphia.....	400,000	1,280,976	509,915	771,060	378,852	221,734	442,096	386,899	.87	.58
Atlas, Hartford.....	200,000	442,133	232,634	209,489	389,015	291,828	414,607	482,676	1.16	.75
Amazon, Cincinnati.....	500,000	935,162	416,551	518,611	599,909	390,471	633,935	673,994	1.16	.65
Arctic, New York.....	200,000	244,666	31,382	213,284	83,394	26,679	94,257	86,307	.91	.32
American Central, St. Louis.....	300,000	747,662	243,622	502,844	71,698	26,900	71,698	39,726	.55	.37
Citizens, Newark.....	200,000	501,806	337,531	164,454	467,199	335,982	490,193	538,747	1.09	.71
Citizens, St. Louis.....	200,000	433,146	111,043	322,103	184,076	132,173	215,995	216,850	1.00	.72
Connecticut, Hartford.....	1,000,000	1,362,843	178,869	1,183,974	267,880	132,324	323,682	404,275	1.22	.49
Continental, New York.....	1,000,000	3,040,985	1,196,070	1,848,015	1,402,810	664,892	1,559,919	1,333,711	.86	.47
Exchange, New York.....	200,000	398,547	65,088	333,468	143,429	79,404	171,232	182,256	1.06	.55
Faneuil Hall, Boston.....	400,000	519,902	117,635	402,266	207,579	106,971	235,319	231,765	.98	.52
Fairfield, South Norwalk.....	200,000	305,314	70,390	234,923	127,859	8,765	142,751	168,697	1.11	.....
Franklin, St. Louis.....	200,000	313,384	75,091	251,083	108,656	61,756	124,275	130,538	1.05	.57
Fire Association, Philadelphia.....	500,000	3,778,657	2,273,672	1,504,979	1,148,083	551,568	1,358,782	1,175,781	.85	.48

Girard, Philadelphia.....	300,000	1,112,276	891,788	720,488	399,477	107,900	459,472	341,987	75	.27
Glens Falls, New York.....	200,000	826,273	314,260	1,611,837	802,712	144,130	346,378	251,562	73	.47
German-American, New York.....	1,000,000	2,226,552	574,715	1,651,013	858,661	368,226	955,770	789,541	83	.43
Home, Columbus, Ohio.....	250,000	481,645	120,852	360,793	238,476	151,103	282,820	292,499	1.03	.58
Home, New York.....	3,000,000	6,104,650	2,101,866	4,002,784	2,901,033	1,584,382	3,207,994	3,009,524	.96	.54
Home, Newark, N. J.....	200,000	255,832	41,564	214,272	58,364	22,178	80,864	77,383	.89	.38
Hoffmann, New York.....	200,000	387,992	82,306	305,685	159,710	97,966	181,245	197,948	1.09	.....
Hartford, Hartford.....	1,000,000	3,273,868	1,173,319	2,100,549	1,711,211	848,866	1,876,358	1,588,564	.84	.49
Insurance Comp. of N. A., Philadelphia	2,000,000	6,601,883	2,235,511	4,366,372	1,378,850	681,522	1,643,341	1,634,832	.99	.49
Jefferson, St. Louis.....	200,000	269,535	40,343	229,192	67,633	13,157	83,831	59,928	.72	.20
Lycorning, Pennsylvania.....	.....	451,186	390,212	.....	483,633	503,506	685,083	573,371	.83	.64
Lamar, New York.....	200,000	411,268	79,518	331,750	133,306	72,171	180,456	164,708	.90	.54
Merchants', Newark.....	200,000	1,003,083	302,186	700,897	432,625	177,313	484,213	384,711	.79	.41
Manufacturers', Newark.....	200,000	308,988	88,386	220,601	117,348	61,313	130,197	115,974	.89	.52
Manufacturers', Boston.....	500,000	1,090,058	431,223	658,835	369,101	252,527	430,247	.....	.....	.52
Manhattan, New York.....	250,000	850,658	293,516	557,141	597,196	403,339	694,453	656,422	.94	.67
Northwestern National, Milwaukee.....	600,000	877,195	206,680	670,512	243,223	145,812	389,914	337,886	.86	.59
Northern, New York.....	250,000	366,468	72,901	293,567	116,714	56,661	135,431	101,587	.75	.48
New Orleans Ins. Assn, New Orleans.....	295,650	525,476	151,178	374,298	298,898	153,018	404,915	246,149	.60	.51
Phoenix, Hartford.....	1,000,000	2,407,531	875,279	1,532,251	1,344,485	637,472	1,453,658	1,294,780	.89	.47
Phoenix, Brooklyn.....	1,000,000	2,792,902	896,368	1,896,534	1,191,820	597,696	1,567,175	1,275,796	.81	.50
Pennsylvania, Philadelphia.....	400,000	1,675,694	1,275,694	912,783	535,431	267,442	618,514	480,150	.77	.49
Peoples', Newark.....	200,000	430,733	135,886	295,347	254,018	139,464	278,040	260,769	.93	.49
Paterson, Paterson, N. J.....	202,700	377,827	155,008	222,819	255,560	140,525	281,819	229,208	.81	.55
Rhode Island Ins. Assn, Rhode Island...	1,000,000	607,299	389,362	1,217,936	556,139	260,777	696,995	662,960	.94	.68
Revere, Boston.....	200,000	268,374	48,670	219,703	65,391	10,254	76,047	41,554	.54	.11
Security, New Haven.....	200,000	384,058	133,265	250,793	146,764	75,794	163,422	153,164	.93	.52
St. Nicholas, New York.....	200,000	325,479	70,336	255,143	135,926	55,578	156,997	131,774	.83	.41
St. Paul, St. Paul, Minn.....	400,000	943,660	325,664	617,995	408,332	280,085	483,672	470,500	.97	.68
St. Louis, St. Louis.....	240,000	347,001	105,852	241,148	210,198	127,103	229,524	229,524	1.00	.60
St. Joseph, St. Joseph, Mo.....	220,000	420,245	93,465	326,780	164,983	75,766	200,271	156,272	.78	.46
Traders', Chicago, Ill.....	500,000	827,359	145,408	681,959	260,459	126,319	317,684	299,261	.94	.48
Union, Galveston, Texas.....	200,000	255,216	38,273	216,943	67,654	39,388	104,872	99,388	.95	.59
Underwriters' Agency, New York.....	1,000,000	3,360,731	1,156,538	2,204,193	1,560,668	688,989	1,739,884	1,580,730	.93	.44
Westchester, New York.....	300,000	861,409	339,909	501,500	706,599	442,929	747,054	720,784	.96	.62

Home Insurance Co. of New York.

A reputable and prosperous experience of nearly a quarter of a century entitles this company to public confidence and patronage. It was established in 1853, and has passed safely and honorably through all the vicissitudes that have affected the business of insurance since that time. It commenced with a cash capital of \$500,000, which has been increased from time to time, and which now reaches the sum of \$3,000,000. Like all well-managed companies, it has found the principal element of its success in the selection of cautious and energetic officers and agents. The Western department is managed by Ducat & Lyon, of Chicago, and the Southern by General Joseph E. Johnson, of Savannah, Georgia. The business of the Pacific Coast is under the efficient management of Mr. Arthur E. Magill. Fully impressed with the idea of security that comes from the diffusion of risks, the company has endeavored to distribute their business not only through the United States but in such foreign countries as presented a reasonable probability of successful operation. The agencies of the Home are to be found in Europe, ranging side by side with the oldest and most successful companies in the world, and holding their own against the prestige and influence of these formidable competitors.

We understand that the Home is the only American fire insurance company that has entered into the field of foreign business. The European department of the Home was organized in 1870, and its head-quarters are at Hamburg, Germany, which is one of the chief centres of financial and commercial operations. We have not yet been favored with the details of the European business transacted by the agents of the Home, but its general result is satisfactory.

As might have been expected, the extensive fires which have formed the most disastrous part of our more modern insurance history, involved the Home Insurance Co. in heavy losses, but these they were enabled to pay promptly from the accrued profits of their widely diffused business in

more fortunate localities. The Home paid for losses by the great Chicago fire \$2,500,000 net, and in consequence of the great Boston fire \$750,000. It is not probable that in one decade any insurance company will for some time to come be subjected to so severe an ordeal.

The assets of the Home were on January 1st, 1877, \$6,104,650.82, and the character of these assets is first class, considerably more than one-third being invested in U. S. bonds. The net surplus, after providing necessary reinsurance reserve, and all liabilities, including capital, was at the date before mentioned a little over \$1,000,000.

Southern Hotel Fire.

The following is a corrected list of insurance on the Southern Hotel, St. Louis, destroyed by fire in the early part of April. The total loss is about one million of dollars.

ON BUILDING.

Buffalo German.....	\$ 2,500
Richmond Fire Association.....	2,500
Insurance Company State of Pa.....	2,000
German American of Pa.....	2,500
Union of Pitts.....	2,500
Germania of Newark.....	3,000
French Ins. Corporation.....	2,500
Hamburg-Bremen.....	5,000
London Assurance.....	5,000
N. B. & M.....	5,000
American Central.....	5,000
Niagara.....	2,500
Scottish Commercial.....	5,000
Lancashire.....	2,500
National of N. Y.....	5,000
Franklin of Philadelphia.....	2,500
Queen.....	6,000
Phoenix of Hartford.....	10,000
Connecticut.....	5,000
Shoe and Leather.....	5,000
Rhode Island.....	10,000
Mound City Mutual, St. Louis.....	5,000
Laclede " ".....	5,000
City " ".....	5,000
Home " ".....	5,000
Pennsylvania Fire, Pa.....	5,000
Firemen's, Newark, N. J.....	5,000
Williamsburgh City, New York.....	5,000
Fire Association, Philadelphia.....	5,000
People's, Tronton, N. J.....	5,000
Liverpool and London and Globe.....	10,000
Royal, Liverpool.....	5,000
Pacific, St. Louis.....	5,000
Boston Underwriters.....	5,000
National, Hartford.....	5,000
Fire Association, Philadelphia.....	5,000

Manufacturers, Boston.....	5,000
Boylston ".....	5,000
Paterson, New Jersey.....	2,500
Phoenix, St. Louis.....	5,000
Orient, Hartford.....	5,000
Trader's, Chicago.....	5,000
Amity, N. Y.....	2,500
Cooper, Dayton, O.....	2,500
Lycoming, Pa.....	2,500
Union, Pa.....	5,000
Jefferson, St. Louis.....	2,500
Oswego and Onondaga, N. Y.....	2,500
Manufacturers, Boston.....	5,000
Westchester, New Rochelle.....	3,500
Boston Underwriters.....	20,000
Manufacturers, Boston.....	2,500
Boylston, Boston.....	2,500
Northwestern National, Milwaukee.....	2,500
Merchants, Newark, N. J.....	5,000
Girard, Pa.....	2,500
Arctic, N. Y.....	2,500
Buffalo, N. Y.....	2,500
Revere, Boston.....	2,500
Amazon, Cincinnati.....	5,500
American, Philadelphia.....	5,000
Shawmut.....	5,000
Total.....	\$290,000

ON FURNITURE.

Commercial of St. Louis.....	\$5,000
German Mutual.....	4,000
Northwestern National.....	5,000
French Insurance Corporation.....	5,000
Germania of Cincinnati.....	2,500
Citizens of Newark.....	2,500
Imperial and Northern.....	10,000
Howard.....	6,000
German American.....	2,500
United States.....	2,500
Union.....	2,500
Mobile Underwriters.....	2,500
Lancashire.....	2,500
St. Paul.....	5,000
Franklin, Philadelphia.....	2,500
American, N. J.....	2,500
Ætna, Hartford.....	5,000
Merchants, St. Joe.....	2,500
Guaranty.....	5,000
Rochester German.....	5,000
Lumberman and Mechanics.....	2,500
Commonwealth.....	5,000
Roger Williams.....	2,500
London Assurance.....	2,500
Hamburg and Bremen.....	2,500
Ætna, Hartford.....	2,500
Manufacturers.....	5,000
Paterson, New Jersey.....	2,500
Atlas, Hartford.....	5,000
Scottish Commercial.....	5,000
Lancashire.....	5,000
Richmond, Va.....	2,500
Buffalo German.....	2,500
Commercial Union.....	10,000
Total.....	\$135,000

The Liverpool and London and Globe Insurance Co.

This widely-known Company, the foundation of which was laid in England in 1836, commenced operations in the United States in 1846, immediately after the great New York fire of 1845, and in consequence of that catastrophe which had swept away nearly all the insurance companies of that city. Escaping by the circumstance of this subsequent institution, the great losses that would have been entailed upon them by that fire, they, nevertheless, have been often called upon to make heavy indemnity to American policy-holders. Such indemnity has always been furnished with commendable promptness. Their loss by the great Chicago fire was about \$3,000,000, and by the Boston fire, a very large sum, of which we have not the figures by us at present. Those who know the nature of this Company's widely-diffused business, can easily conjecture that there has hardly been a fire of any magnitude during the last thirty years, which has not fully tested their integrity and stability. Elsewhere in the present issue will be found a detailed statement of their condition and affairs on Dec. 31, 1876, as it was presented to the California Commissioner. It will be seen thereby that the amount of their capital stock paid up in cash was \$1,228,000. Their total assets amount to \$27,720,140, of which \$3,641,000 is invested in the United States for the protection of American policy-holders. This investment is applicable solely to fire risks, as the life business of the Company does not extend to this country. On account of the life business, there are liabilities, including *reserve and surplus*, but excluding capital, amounting to \$19,025,151, which sum, if deducted from the total assets, leaves \$8,694,989, as the assets of the fire department. Deduct from this again the amount of paid up capital, \$1,228,200, and there is a net remainder of \$7,466,789 of assets, exclusive of capital. Their liabilities, on the other side of the fire account, are, exclusive of capital, \$4,090,051, thus showing a surplus in favor of the policy-holders in the fire de-

partment of \$3,376,738. The amount of fire premiums actually received in 1876 was \$4,948,782, and the fire losses for that year were \$2,203,720. This exhibit will no doubt be satisfactory to the policy-holders both in America and elsewhere.

The original company, from which the London and Liverpool and Globe was formed was the first foreign company established in the United States. Mr. W. B. Johnston, the manager of the Pacific department, has been connected with the Company from its beginning in America, and has rendered a satisfactory account of operations both to his company and his patrons.

Does the Wife's Insurable Interest in a Policy on the Husband's Life Continue after Divorce?

The Circuit Court for the Southern District of Ohio has answered this question in the affirmative, in the case of *Schæfer vs. The Connecticut Mutual Life Insurance Company*, which has been removed in error to the Supreme Court of the United States. The opinion of this tribunal has not yet reached us. The policy referred to was issued jointly on the lives of husband and wife, but it is the wife's interest alone which is presented for question. The right of a wife to continue her insurable interest in the husband's life after he may have been prevented by physical, mental or moral disqualification from contributing to her support, is acknowledged to be intact during the continuance of their marital relations, and her right should not be prejudiced by a divorce which does not come from her own criminality. It is necessary to say that we do not know the moral status of the *Schæfer* case. Whenever the merits of a litigated matter involving the interests of women and children are of reasonable doubt, we are glad to see a leaning of the law in favor of the weaker parties. The miseries inseparable from human life are seen in their sternest aspects when they fall on women and children. It is the glory of California jurisprudence that the property interests of the weaker sex are guarded in a spirit of intense humanity.

Equitable Life Assurance Society.

At the present time, when the proper exposure by the press of insolvent and fraudulent life insurance companies has often been accompanied by wholesale abuse of life insurance in general, it affords us unlimited pleasure to record one among many instances of good management and stability. The Equitable Life Assurance Society had been for some time an object of clamor and detraction, when it was resolved by them to submit their affairs to the examination of a committee appointed by the policy-holders. That committee, composed of first-class business men of New York City, who were assisted by a full corps of experts and accountants, prosecuted their labors during a period of two months, and they have now presented to the public the result of their examination. This result establishes the Equitable in the front rank of life insurance companies for ability, integrity and solvency. Side by side with the examination of the policy-holders' committee, there was an investigation made by the Superintendent of the Insurance Department of the State of New York, and another by the Finance and Executive Committee of the Society, and the report of each investigator has verified the correctness and fidelity of the others. The Insurance Commissioner says that "no corporation doing an insurance business has been subjected to severer tests," and that "the assets and liabilities have been conscientiously and exhaustively scrutinized," and the policy-holders' committee are fully as emphatic in their endorsement.

This committee conducted their search with the most scrupulous minuteness. Every piece of real estate held by the society, either in fee or under bond and mortgage, was appraised by experts, and only the values allowed by them were admitted into the list of assets. Every title was examined and passed upon by counsel, and all this was done at the instance both of the representatives of the policy-holders and of the insurance department. In a word, no item has been inserted in the list of assets which can be made a subject of the most critical ob-

jection. The statistical result of all these scrutinies may be stated generally as follows: The society has \$31,734,934 of indisputable and tangible assets, and a clear surplus over all liabilities of \$5,503,793. During the fiscal year ending December 31st, 1876, it had gained in assets \$2,695,845, and there had been an increase in the surplus of nearly one million. We refer for a detailed account of the affairs of the Equitable to their statement, which is published elsewhere in this issue.

The Equitable was organized in 1859, and has now nearly 50,000 policy-holders. This society is a remarkable example of great and rapid growth, under conditions of complete security. The triumphant issue of the ordeal through which the Equitable has passed must be a gratification not only to its friends and policy-holders, but to all who are anxious to promote the prudential habits which life insurance has developed among the community in general.

April Dividends.

The following local incorporations have paid dividends during the past month, as annexed:

Name.	Rate.	Amount.
First National Gold Bank...	10 ¢ cent.	\$16,666
Merchants' Exchange Bank	$\frac{3}{4}$ ¢ cent.	37,500
Pacific Bank.....	10 ¢ cent.	30,000
Pioneer Land and Loan Bank.....	1 ¢ cent.	1,160
Safe Deposit Company.....	$\frac{1}{2}$ ¢ cent.	10,000
Capital Gas Company.....	$37\frac{1}{2}$ ¢ share	15,000
San Francisco Gaslight Co.....	$\frac{3}{4}$ ¢ cent.	75,000
Spring Valley Water Co.....	$\frac{3}{4}$ ¢ cent.	60,000
Commercial Insurance Co.....	2 ¢ cent.	4,000
California Insurance Co.....	8 ¢ cent.	24,000
Fireman's Fund Ins. Co.....	5 ¢ cent.	15,000
Home Mutual Ins. Co.....	1 ¢ cent.	3,000
State Investment Ins. Co.....	2 ¢ cent.	4,000
Union Insurance Co.....	5 ¢ cent.	37,500
California Powder Co.....	1 ¢ cent.	15,000
Giant Powder Co.....	$1\frac{1}{2}$ ¢ cent.	9,000
Atlantic Giant Powder Co.....	$\frac{1}{2}$ ¢ cent.	4,000
Central (street) Railroad Co	$\frac{1}{2}$ ¢ cent.	5,000
North Beach Railroad Co.....	$\frac{1}{2}$ ¢ cent.	5,000
Real Estate Associates.....	1 ¢ cent.	10,000
Pacific Stock Exchange.....	\$100 ¢ seat.	7,500
Black Bear Quartz Mining Co	40 ¢ share	12,000
Con. Amador Mining Co.....	25 ¢ share	7,500
California Mining Co.....	\$2 ¢ share	1,080,000
Great Western Q. M. Co.....	25 ¢ share	12,500
Hite Mining Co.....	20 ¢ share	20,000

Idaho Mining Co.....	$7\frac{1}{2}$ ¢ share	23,250
Northern Belle Mining Co..	\$1 ¢ share	50,000
Ontario Mining Co.....	50 ¢ share	50,000

Total.....\$1,643,576

The dividends of the Pacific Bank, Capital Gas Company, California, Fireman's Fund and Union Insurance Companies are for the quarter ending March 31. Following is a summary of the dividends for April:

	1876.	1877.
Banks.....	\$68,900	\$85,300
Gas and Water Companies.....	147,000	150,000
Insurance Companies.....	72,500	87,500
Street Railroad Companies.....	10,000	10,000
Powder Companies.....	23,000	28,000
Mining Companies.....	1,348,100	1,255,300
Miscellaneous Companies.....	46,200	27,500

Totals.....\$1,715,700 \$1,643,600

Respectfully Dedicated to the San Francisco Board of Fire Underwriters.

Composed and Sung by W. J. Callingham, at a recent "Social", given to the Non-Boards by the S. F. Board of Underwriters.

TUNE—"As You Like It."

Some people say I am curious,
For they know that I never refuse,
No matter from whence I obtain it,
In getting the latest of news.
I certainly own that I do so,
But no harm there is, I opine;
For whatever I hear I keep close,
For, of course, it's no business of mine.

But now I will tell you some secrets
In confidence, strictly, you know;
For I got them *sub rosa* myself, sirs,
And promised I'd still keep them so;
But this is occasion unusual,
All jealousies drowned in good wine,
And if I should say any queer things,
Never mind, it's no business of mine.

They say that the Board rates are downward
In 'Frisco, on dwellings of wood;
That it's done to freeze out the "non-Boards,"
But I assure you, 'twill do you no good;
For they still shave your tariff a little,
Sufficient to get them their line;
You say that there's no money in it,
But then, that's no business of mine.

Ask HOPKINS to give you the cost, sirs,
Of writing on this risk or that,
Statistics, you know, are his strong suit,
His figures won't lie, that's a fact;
To deny it will provoke him to anger,
To dispute this I fear he'll incline,

But I assure you I'm really in earnest,
Altho' it's no business of mine.

The "Locals" they say are in trouble
Because they don't get all the biz';
And BIGELOW, 'tis said, tells the papers
Johnny Bull is taking all his;
That, to keep out so much competition,
From fellows from over the line,
He thinks he should have a "Deposit,"
But then, that's no business of mine.

Now JOHNSTON, he'll think he can stand it,
And JONES with "Imperial" araco,
Will enjoy the rout of the small fry.
(So would you and I in their place.)
I'll not speak of our good friend JACOBY,
With the "Hamburg," from over the Rhine,
But since we have made our deposit,
Why, of course, it's no business of mine.

Our PRESIDENT looks very happy,
His Company's local no more,
They look for their funds where they lost them,
And think it unwise to deplore.
DOANIN wagers his pile on the "Fireman's,"
And thinks he will win every time,
If blowing will do it, he's right, sirs,
But of course, it's no business of mine.

There's — — whose talk flows so smoothly,
'Tis said he's a hard one to hold
In the traces of Board rules and rates, sirs,
I give it you as I am told.
I don't vouch for the truth of the story,
Such gossip is not in my line,
And then I would have you consider,
That it's really no business of mine.

For I'm an OUTSIDER you know, sirs,
No Board rates nor rules do I own,
And thus I can know those who vary—
Of course, they'd not have it known;
But they don't lose a risk, I assure you,
They condone the offense with a fine—
When caught—which is not very often,
But of course, it's no business of mine.

But now I must stop with my gossip,
And make way for good things to come,
For those who are booked for the speeches,
(Did you say you were glad that I'm done?)
But *circular writing* just now, sirs,
Is taking the most of my time,
To help up the "Royal Canadian,"
And push on this business of mine.

So I trust you'll excuse any error
Of fact, or of meter, or song,
Consider me humbly your servant,
Always glad to help good things along.
And now fill your glasses all 'round, sirs,
We'll drink to their health in good wine,
Of those who could not be with us,
Their reasons (?)—no business of mine.

Columbus Letter.

COLUMBUS, O., April 23, 1877.

Editor Coast Review:

MY DEAR SIR—Always welcome, the COAST REVIEW reached us in good season, and there is not a page in it but has something interesting to a live insurance man; and the "good, sleek" letter from your correspondent "on the wing," while at Denver, is deserving of particular notice.

It is not a bad thing to compare notes from different quarters, even including the "mountains of West Virginia."

Among the many good articles in your April number, it is devoutly wished by your humble servant that every insurable person in this country could see, read and appreciate the article on the 11th page, entitled "Thirty Years of Life Insurance in America," and be convinced that of all financial institutions devised by man, none stand on so sure a foundation as that of life insurance; and that while it is to be regretted by all honest men that some have seen fit to degrade themselves and the business by allowing mismanagement and miserable, wicked failures, the "old and tried" are even better than ever, and will be ready to pay all losses until the crack of doom, which will be good enough for all that are yet to invest.

The public are still at large on the subject of wrecked companies, and life agents can truly say they are the worst persecuted of mankind at this time, because of half a dozen rascally and wicked failures in New York among the "Tammany ring" fellows, who, "for ways that are dark and for tricks that are vain," are certainly peculiar. For this the most upright and honest agents are abused as if they controlled the management of the whole business.

It is also notable that people will invest their means in every imaginable kind of enterprise and speculation, and lose money by the hundreds and thousands, and never mention it, though if by chance they lose fifty dollars, in a shoddy life insurance company, we never hear the end of it. "Guess they'd better look themselves a leedle out, the time before they takes dem life insurance again, already."

Our Ohio Legislature is still on the "ragged edge" and haven't been gone and done it yet, so much as they were going to, having ran against a snag with their insurance bills, and every one of them are hanging fire, with good prospects of being kicked under the table until a more wise and sensible general assembly meets, after which time the public pulse will have fallen to sixty (which is normal), and the clamor for insurance laws will have changed to an ardent desire for legislation allowing the insurance companies to attend to their own business the same as any other reputable business of the country. It is now expected (and fondly hoped) that they will shake the dust of Columbus from their feet about May-day.

The Union Central, of Cincinnati, is still on the war-path with its "gilt-edged" statements, recently smuggled through the Insurance Commissioner's office, and for a complete exposé of which you are referred to the March number of the *Insurance Index*, page 106. Don't fail to read it, and if desirable you may have further information in your next letter from

BUCKEYE.

Virginia City Letter.

VIRGINIA, Nev., May 1st, 1877.

Editor REVIEW :

In addition to the city water system and fire appliances heretofore reported, all the mining works in Virginia are provided with means of fighting fire, which serve as auxiliary to the city department.

As these are important in location and general completeness, your readers will pardon me for giving a brief report on each.

OPHIR.

The Ophir Mining Company has two tanks holding 105,000 gallons of water, 2,000 feet of seamless wrought-iron pipe 10 inches in diameter, and 406 feet fall from tank to works. Six regulation hydrants surround the works, with 200 feet hose attached to each. Inside the works are ten 1½-inch hydrants, and 1,300 feet of hose distributed, attached, and ready for use. Also two steam pumps, to which hose may

be attached. Twenty Babcock extinguishers are distributed through the buildings. Hydrants and hose are examined daily. Two watchmen are employed around the works during the day and three at night.

THE CONSOLIDATED VIRGINIA

Has two tanks, each 16x50, 8 feet deep, 275 feet above works. Two regulation hydrants outside, with 750 feet of hose to each. Seven 1½-half inch hydrants and 800 feet of hose inside, and one hydrant and 150 feet of hose on top of building.

The mill known as the

CON. VA. BATTERY MILL

Has one regulation hydrant and 200 feet of hose outside of building. Inside, one 2-inch hydrant and 150 feet of hose; two 1-inch hydrants and 100 feet of hose, and one ¾-inch hydrant and 50 feet of hose.

The pan mill near by has four regulation hydrants outside, with 600 feet of hose. Inside, one 2-inch hydrant and 150 feet hose, two 1½-inch hydrants and 100 feet hose, and one 1-inch hydrant and 100 feet of hose.

THE C. & C. SHAFT

Has three regulation hydrants and 1150 feet hose outside and nine 2-inch hydrants with 1,200 feet of hose. Also, one 2-inch hydrants on top of building with 100 feet of hose.

The Battery Mill near by has two regulation hydrants with 600 feet of hose outside of building and one 2-inch hydrant and 150 feet of hose on top. All connect with Consolidated Virginia and city mains.

THE RAILROAD COMPANY,

At the depot, have three regulation hydrants with 800 feet of hose, two 1-inch hydrants and 200 feet of hose.

One steam pump on yard engine with 100 feet regulation hose and 4 lengths of suction.

GOULD & CURRY

Has two tanks, 16x20, 12 feet deep, and one 12x16, 10 feet deep, five regulation hydrants outside, and three inside the building with 700 feet of hose. One watchman at night. Fall not given.

THE SAVAGE.

One tank, 6x9, 12 feet deep, one 23x31, 12 feet deep, one 21x32, 11 feet deep; 160 feet fall to works; 6 regulation hydrants and 700 feet of hose. Three steam pumps may be used inside with 300 feet regulation; also, two 2-

inch hydrants and 300 feet of hose. One day watchman and two at night.

HALE & NORCROSS.

One tank 12x24, 10 feet deep, 4-inch main, 165 feet fall; three regulation hydrants with 1,100 feet hose and two 2-inch hydrants with 800 feet hose.

Two steam pumps used to fill perforated pipe on ridge of roof. Inside, one 2-inch hydrant with 100 feet of hose and one 1-inch hydrant with 200 feet hose. Also, have one regulation hydrant and 500 feet hose, jointly with Savage. One watchman at night.

CHOLLAR,

Three tanks holding 42,230 gallons of water, 225 feet fall to works. Two regulation hydrants with 350 feet of hose. Six 2-inch hydrants with 550 feet of hose. One steam-pump and several $\frac{3}{4}$ -inch bibbs inside, with four Babcock extinguishers. Two night watchmen.

JULIA,

One tank 14x18, 10 feet deep, 150 feet fall to works. Four regulation hydrants with 450 feet of hose. Inside, two 2-inch hydrants with 200 feet of hose. One 1-inch hydrant with 50 feet of hose. Also one steam-pump, with 50 feet of 2-inch hose. One night watchman.

UNION IRON WORKS,

One regulation hydrant with 300 feet of hose. Inside, one steam-pump with 200 feet of 2-inch hose. Four tanks on the roof, each 3x3 and 20 feet long. Two watchmen at night.

FULTON FOUNDRY,

Two regulation hydrants with 300 feet of hose. One hose-cart. Inside, one $1\frac{1}{4}$ -inch hydrant with 50 feet of hose; two $\frac{3}{4}$ -inch hydrants with 100 feet of hose. One watchman at night.

JOHN GILLIG

Has in his store one regulation hydrant and 150 feet of hose; also four $1\frac{1}{2}$ -inch hydrants and 550 feet of hose distributed. Connects with city works and may be used outside.

BREED & CROSBY

Have one 2-inch hydrant and 150 feet of hose at their coal warehouse.

FRANK THAYER

Has one 2-inch hydrant and 100 feet of hose at his dwelling.

GOLD HILL

Is engaged constructing a tank 20x60, nine feet deep, from which will be laid 2,000 feet of main, connecting with six hydrants, for the better protection of property on the "Divide." This will be completed soon.

OBSERVER.

[Communicated.]

Manufactured, Unmanufactured and in Process.

DEAR EDITOR—Under the above caption *The Insurance Monitor*, in its April number, replies to questions propounded by a querist from this city, and, notwithstanding that Brother Hine is usually correct in deciding knotty questions, in this instance I believe the answer to be a very loose-jointed one.

The *Monitor* makes the common error of supposing the two phrases, "raw, wrought and in process," and "manufactured, unmanufactured and in process of manufacture" to be identical, whereas the latter is incomplete without the additional words, "and materials for manufacturing the same." These additional words correspond with the word "raw," in the first-named phrase, and are by all underwriters accustomed to issuing policies on manufactories inserted when it is intended to cover materials, unless the less elegant, but more brief and complete phrase of raw, wrought and in process be used.

The *Monitor* man quotes a decision (1 Phillips on Insurance, 250, § 489) wherein it was held that the words, "on stock, raw, wrought and in process therein," were to be construed as covering everything necessary and useful to the ordinary and successful prosecution of the business, and argues from this that a policy covering "stock of yeast powder, soda, saleratus and cream of tartar, manufactured, unmanufactured and in process of manufacture" would be liable for loss on unbroken barrels of flour, sheets of tin, boxes, labels, etc. This in face of the fact that nothing is said in the policy about materials. Further he says that "Flour is unmanufactured yeast-powder" and "manufactured stock means ingredients."

Carrying the illustrations a little further,

I would ask Mr. Hine if wheat means *unmanufactured flour*? Or, whether it is not a distinct and separate article of trade? Whether corn or rye means *unmanufactured whisky*? Steel, *unmanufactured pens*? Wood, *unmanufactured tooth-picks*? Dust and ashes *unmanufactured men and women*? And, if he will allow me, I would ask him in what dictionary he finds the word *unmanufactured*? Does he not know that the word is an abortion and an anomaly, and as such, has been expunged by Webster, Worcester, and other lexicographers? And that when he attempts to define a word which *is not* he is talking sheer nonsense?

Let underwriters think for a moment before they use the word *unmanufactured*. An article manufactured from one or more ingredients does not actually become such article until it is complete. There is a preliminary stage in which the article may be said to be in process, but before it assumes shape it is not entitled to the name, and in point of fact may be something, or many things, utterly different. *Unmanufactured* (in the sense implied by underwriters) pens, or whisky, or flour, etc., are not pens, or whisky, or flour, etc., at all, but steel, corn, rye, wheat, etc., and the word *unmanufactured* has no actual meaning, is mere senseless phraseology, and therefore cannot be construed to cover materials, or anything else. To my mind it was never so intended, but was used to express incomplete articles not actually *in process* at time when loss might occur. We all know that in many manufactories some portion of the work progresses faster than others, and that the partially-complete goods often accumulate in advance of requirement. In others it is necessary to allow unfinished work to remain for a certain time before permitted to be completed, and this work, or these goods, not being manufactured nor actually in process at the time were supposed to be covered by the word *unmanufactured*. Such was, at least such is my belief of the origin of the use by underwriters of the word.

Yours Truly,

IN PROCESS.

S. F. May 2d, 1877.

Oakland Fire Department and Its Chief.

It is a radical defect in our institutions, both national and municipal, that the efficiency of the public service is made subservient to political considerations, or to the general desire for rotation in office. In the case now in point, which is the dismissal of Mr. Montanya from his position as Chief Engineer of the Fire Department in Oakland, we do not allege these motives, but we are at a loss on any other theory to account for his removal. Mr. Montanya organized the fire department in Oakland, and has kept it for four years in a state of efficiency. Under his executive rule, incendiaryism, which was at one time rampant in that city, has been restrained or vanquished. His resignation, which, under the circumstances, we are justified in calling a dismissal, was demanded by a majority of the City Council, and of course was accepted. The *Oakland Transcript* alleges that he was removed on account of disagreements with the Council, and charges him with employing subordinates of immoral character; but at the discussion on the subject at the Council, it does not appear that these disagreements were caused by any failure of Mr. M. to perform his duty. Nor is the other part of the *Transcript's* charge sustained by any evidence, or even alluded to by Mr. Montanya's official opponents. Mr. Councilman Walter, who conducts the case against Mr. M., and who, like the Devil, quotes scripture for his purpose, declares in terms, that he does not charge incompetency at all, but that Mr. M.'s resignation was necessary to restore harmony to the Council. It appears that many of the officers and employees of the fire department have retired with their Chief by voluntary resignations. To say the least, we doubt the policy of the change that has been effected. Oakland stands at present in great favor with underwriters as a safe insurance field, and no little part of this safety has resulted from the ability and caution of the officer who has been expelled. Mr. Lincoln said that you should not swap horses while crossing a

river, and we are averse to swapping at all, unless something is to be gained by the operation. We have nothing to say against Mr. Fuller, who has been appointed Chief Engineer in place of Mr. Montanya. We hope that the underwriters, who are the parties most in interest, will be satisfied with his appointment, and that he will sustain the favorable insurance reputation which Oakland has obtained under the rule of his predecessor.

Annual Meeting of the National Board.

We have an unsatisfactory and meagre account of the National Board's 6th Annual meeting, and for some reason the proceedings are withheld from the public, who are left to conjecture whether the adjournment *sine die*, after so short a session, and in the face of very important business to be transacted, is an acknowledgement of weakness, temerity or indifference. Whatever may have been the causes inducing such an abrupt ending of the session and the general quietness as to transactions, we sincerely hope the organization will not be allowed to droop and die at the very moment when its high cultivation is pregnant with good, and its benefits only begun to be realized. We draw a few grains of comfort in the wide distribution of the offices; this will stop the croaking and fault-finding which the jealousies of western companies engendered, and postpone, at least, a dissolution which leaves in its track demoralization, disaster, ruin, and idiotic waste of capital. Like the great National Board itself, we "rest on our oars," patiently waiting events; hopeful but nevertheless anxious. The following officers were elected to serve during the incoming fiscal year:

President, Alfred G. Baker, of Philadelphia; Vice-President, B. Lockwood; Secretary, E. Alliger, New York; Treasurer, J. S. Parish, Providence; Executive Committee, Charles Platt of Philadelphia, Dwight R. Smith of Springfield, S. A. Heald of New York, W. Bennet, Jr. of Hartford, John W. Murray of New York, J. B. Hall of Columbus, G. T. Cram of St.

Louis, L. J. Hendee of Hartford. Geo. T. Hope of New York, W. J. Crowell of Philadelphia, R. J. Smith of Chicago.

The Continental Insurance Company of New York.

The Continental Fire Insurance Company of New York has presented to the public its annual statement for the year 1876, the same having been published in the daily papers of this city as required by law. This New York company, with its *one million* paid up capital, shows assets of over \$3,000,000, and enjoys an annual income of \$1,500,000. The liabilities, except capital, of the Continental, on the 1st of January of the present year, were \$1,196,069.94, leaving a clean *net* surplus over capital and all liabilities, of \$844,015.13, or a surplus as regards policyholders, of \$1,844,015.13. The company's assets are of a first-class character, nearly one-third of which is cash market value of bonds and stocks owned by the company, and over \$1,200,000 in real estate and loans on bonds and mortgage. The fire premiums last year amounted to \$1,402,809.95 net. The fire losses paid in 1876 were \$664,891.91, of which sum \$144,879.15 were losses of previous year. The Continental paid to its stock-holders \$113,714.33, which is a reasonably small interest on capital invested, and especially small in view of its large net surplus.

The Continental is a conservative and well-managed institution, and properly ranks among our leading American fire insurance companies. Mr. A. B. Forbes, 204 Montgomery Street, is the present manager for this coast.

The Imperial and the Queen.

The above-named companies have, through their representatives in this city, Messrs. Falkner, Bell & Co., published their annual statements for the year ending Dec. 31st, 1876, in the San Francisco *Chronicle*, from which we learn the following facts: The Imperial received for fire premiums in 1876, \$2,767,282, and paid for fire losses \$1,371,443; dividends to stockholders, \$360,000; commissions and brokerage, \$590,051; salaries,

taxes, and all other expenses, \$336,219, making total expenditures, \$2,576,724. In addition to the above-mentioned premium income, the company received \$224,695 interest money. The present available assets of the Imperial are \$7,770,090, against which are \$1,768,991 for unpaid loss, reinsurance reserve, and bills payable, and \$3,500,000 paid-up capital, showing a net surplus of \$2,501,099.

The Queen received for fire premiums last year \$1,985,000, and for interest and dividends, \$120,606. Paid fire losses, \$1,200,000; dividends, \$135,026; commission and brokerage, \$325,000; all other expenses, \$235,000; making total expenditures, \$1,895,026. The present assets amount to \$2,843,826, with liabilities for unpaid losses, reinsurance, reserve, amount due other offices, bills payable, etc., \$729,902, and for paid-up capital, \$900,175, making total liabilities, \$1,631,077, leaving net surplus, \$1,212,749. In case of the Queen we omitted the life department, as the company does nothing in that line on this side.

CHIPS.

—April 25, wreck of schooner *Lizzie*, cargo of oysters. Total loss.

California.....\$2,000

—A fire at San Jose on the 9th of April destroyed several small buildings, contents, etc. Liverpool and L. and G.....\$1,200
Hamburg-Magdeburg..... 350

—The barn containing 48 tons of hay, belonging to one E. J. Breen at San Juan, was destroyed by an incendiary fire on the 8th of April. No insurance.

—Insurance Commissioner McGill, of Minnesota, will accept thanks for a copy of the Sixth Annual Report of the insurance department of his State.

—Messrs. Gutte & Frank, managers of the Hamburg-Magdeburg Insurance Company, have removed to the commodious and comparatively new quarters, 307 California Street. We welcome our German friends to a point nearer the insurance center of Frisco.

—The Pacific Mutual Life Ins. Co. has filed an application to do business in New York.

—Ohio legislation is generally distinguished for good sense. The House of Representatives refuses to go it blind, and appoints a committee of experts to ascertain whether any further insurance legislation is possible.

—More fires at Los Angeles: April 12th, J. W. Hellman's building.

Hartford.....	\$225
Northern.....	225
Liverpool and London and Globe.....	450
Imperial and Queen.....	1,346
North British and Mercantile.....	300
Commercial Union.....	197

—The Oakland *Daily Transcript*, a small sheet with 234 circulation, is hopping mad, because the REVIEW, in its April issue, proved conclusively that the editor of the *Transcript* is wholly ignorant of insurance matters, and also because it exposed the rascality of a general agent, who purchases, for seven cents a line, editorial puffs of himself in the columns of the *Transcript*.

—At a meeting of the Hartford underwriters' salvage corps, held last month, an organization was effected by the choice of the following officers: L. D. Hendee, President; J. H. Sprague, Vice-President; Executive Committee—Messrs. Skilton, of the Phoenix; Browne, of the Hartford; Clark, of the Aetna; Nichols, of the National; and Lester, of the Orient. The Executive Committee were instructed to report at an early day a plan for the organization, equipment and government of the patrol.

—Hon. Peter Doyle, Secretary of State and ex-officio Commissioner of Insurance, has kindly furnished us with his report, showing the standing of companies, fire and marine, doing business in Wisconsin; also the business done in his State last year. The business transacted in the State shows as follows:

	Premiums Received.	Losses Paid.
3 Wisconsin Stock Co's.....	\$ 165,234	\$ 49,796
4 " Mutual Co's.....	215,489	129,418
112 Companies of other States	1,223,481	415,761
15 Co's of foreign countries...	193,930	39,683
Grand Total.....	\$1,798,134	\$634,658
Percentage of losses paid to premiums rec'd.....	35	

—April 15th, dwelling, Yuba Co.

Lycoming \$400

—April 26th, fire in furniture factory of H. Granz, Brannan Street, near Sixth. Loss about \$10,000.

State Investment, on stock \$750
Cal. Farmers, on stock 1,500
Franklin, St. Louis, on building 257
Citizens, N. J., on building 257
Commercial, on building 343
State Investment, on building 172

—The Alliance Fire Insurance Company of Boston is reported as *now* being in good hands, and the outlook for its future highly promising. There has been a general cleaning out of old officers and new ones put in their places, and \$70,000 more capital paid in, which more than offsets the impairment caused by bad management of the former officers.

—Bakersfield, California, narrowly escaped destruction by fire recently, and the close proximity to which it came to the fiend has excited considerable interest among its citizens, as active steps have been taken to procure a hand-engine and otherwise prepare to combat the destroying element.

—Mr. E. R. Doherty, formerly special agent Faneuil Hall Ins. Co., Boston, has accepted the advice "Go West, young man, go West," and accordingly located at Salt Lake City, with the general agency for Utah of the following companies :

Security.....	New Haven.
Arctic.....	New York.
Manufacturers'.....	Newark.
First National.....	Worcester.
California Farmers'.....	San Francisco.
Lamar.....	New York.

—The marine insurance companies of Boston make the following showing of their condition January 1st, 1877:

Company.	Assets.	Liabilities.	Surplus.
American	\$ 558,115	\$ 130,371	\$127,741
Boston.....	1,374,561	1,147,311	227,250
Boylston.....	1,455,946	1,378,611	87,305
China Mutual.....	1,353,491	1,084,630	318,861
India Mutual.....	391,721	196,945	20,276
Manufacturers'.....	1,229,032	931,224	297,808
Mercantile.....	706,284	403,350	302,934
Neptune.....	638,771	510,483	128,288
New Engl'd Mut'l..	547,138	523,098	23,440
Shoe and Leather..	612,033	510,096	131,337
Washington	879,604	667,127	212,477

—Dave Rorick, Esq., General Insurance Agent, has removed, and permanently located at 324 California Street, under Wells, Fargo & Co.'s Bank.

—March 7th, Schooner Helen Merriam went ashore on Albion River :

New Zealand.....\$413.82
Commercial..... 682.02

—April 26th, fire at Pacific Linseed Oil and Lead Works, on King Street, between Second and Third, in this city :

Insurance.....\$170,500
Damaged settled for..... 6,300

—April 27th, Morning Star, new schooner, ten months old, capsized one day out from San Francisco, valued at \$12,000. Captain's interest insured for \$3,000.

—Potter, Jacobs & Easton have removed the business of their agencies to the very commodious office, No. 216 Sansome Street, which they have fitted up in a tasteful manner with every convenience. We shall be glad to assist at the initiatory ceremonies.

—We are indebted to the courtesy of Insurance Commissioner Celsus Price, of Missouri, for a copy of his report for 1876, showing the standing of fire and marine companies doing business in his State. The business done in Missouri, as shown by the report, in 1876, by 136 companies of other States and countries, shows that there were \$1,817,142 received in premiums, and \$639,580 paid out for losses.

—The advance sheets of the Insurance Commissioner's report of the life business in Canada for the year 1876 shows a slight increase as to number of policies issued, amount of premiums collected and amount of new insurance effected, as regards Canadian companies, but a slight falling off in the same items as to British and American companies, as shown by the following totals:

	Pre- miums of the Year.	No. of Poli- cies. New.	Amount of Poli- cies. New.
Canadian Cos. for 1876	\$768,543	3,892	\$5,068,360
" " " 1875	707,256	3,579	5,077,601
British " " 1876	597,155	792	1,683,357
" " " 1875	623,266	984	1,680,833
American Cos. " 1876	1,437,612	4,194	6,740,804
" " " 1875	1,551,835	5,029	8,306,824

—The new chief of the fire department of Oakland, Mr. F. O. Fuller, is the Oakland agent for the Fireman's Fund Insurance Company, of this city.

—Mr. John P. O'Neil, formerly the District-Attorney of Philadelphia, is mentioned as the probable successor of Mr. W. R. Grace in the Receivership of the Continental Life Insurance Company.

—On the 20th of April a barn and its contents, about five miles from Chico, were destroyed by an incendiary fire. Total loss, \$5,000. Insurance paid :

California Farmers.....\$3,475

—A. D. Smith, Esq., manager Pacific department Northwestern National Ins. Co., has also received the appointment of manager Amazon Ins. Co. of Cincinnati. Office, 310 California Street.

—Capt. E. E. Ryan, special to French Corporation and Amazon Ins. Co., who has been visiting our coast for the past three months, has just returned from a trip to the Southern part of the State, where he reports business of all kinds dull.

—Three incendiary fires have occurred within the last ten days at Los Angeles. A cooper-shop was set on fire Monday night, but discovered before much damage was done. Tuesday night Mayor McDougald's barn and the residence of H. D. Barrows were fired within an hour of one another. The latter was injured to the extent of several hundred dollars. All the inmates, six in number, escaped without injury.

—Many of our hotels are furnished with extensive appliances for extinguishing fire, but unless the men in charge of these are properly trained, the system will prove defective in the moment of trial. At the inquests on the victims of the Southern Hotel fire at St. Louis it was found that the corps attached to the fire apparatus had not been disciplined; also that there was a want of proper connections in the machinery on the upper stories. Hotels generally obtain concessions in rates of insurance by representing that their systems for subduing fire are complete. Hotel managers should look to this in time.

—The Attorney-General of New York and the Insurance Superintendent of that State are at daggers drawn.

—Mr. Thornton, president of the John Hancock Mutual Life of Boston, is visiting the agencies in the West. He will probably extend his trip to San Francisco, where he has many friends.

—A bill before the New York State Senate passed to a third reading, gives delinquent policy-holders in life insurance companies fifty days grace. It also prohibits the sending of notices to them on postal cards. The color of the ink to be used has not been made a subject of legislation.

—The evidence of Daniel J. Noyes, formerly attorney of the New Jersey Mutual Life, who was arrested for fraud, will, it is said, be used against Mr. Stedwell, late president of the company. Noyes will probably, under this arrangement, escape punishment.

—The thirty-second Annual Report of the Mutual Benefit Life Insurance Company of Newark, New Jersey, contains a list of their policy-holders deceased in 1876. The number is 573, and the total amount of their policies was \$1,992,695. The amount received by that company in 1876 for interest alone is more than the sum of the death losses.

—A policy on the life of Henry Ward Beecher was taken by Ford & Co., publishers, New York, as part of their security on the contract to publish his "Life of Christ." The Beecher-Tilton scandal killed this book in embryo, and Ford & Co. do not continue the policy. They had paid on it about \$7,000. Horace Greeley's life was considered so valuable by the N. Y. Tribune Association that they insured it for \$100,000.

—Among the callers at the REVIEW office, last month, we note C. C. Hayden, Esq., of Sacramento, who informs us that he has again entered the insurance ranks, and is now a candidate for patronage from the good citizens of Sacramento. Mr. Hayden is the Sacramento agent of Messrs. Farnsworth & Clark's companies.

—During the month of March there were 35 fires in Chicago, the total loss by which was \$12,300; loss to insurance companies, \$10,450 upon \$71,000 of insurance.

—The life of Orville Jewett, one of the victims of the Burling slip tragedy, was insured for \$25,000 in the Connecticut Mutual, \$10,000 in the Travelers', and \$5,000 in the United States.

—The *Spectator* is publishing the portraits of eminent insurance men in a style of art which must have been developed from its inner conception of facial beauty. The man *portrayed* in the April number will probably sue the *Spectator* for libel.

—The North-western Mutual Company has been sued by the heirs of a man who applied for insurance but who died before the policy was issued. The company had not received from him, or on his account, one cent. Anti-life insurance howlers will please express their opinion.

—March 30th, the ship Frank Jones, in leaving San Francisco for Manila in tow, broke tow-line, and went ashore 50 yards below the Fort. Sold at auction, for the benefit of underwriters, for \$4,700; valued at \$90,000. Col. Von Schmidt, of Blossom Rock celebrity, tried to get her off. No go. Colonel will try again, he says, if required. Insured in Eastern offices for a large amount.

—Fire losses on this coast during April were moderately light, considering the dull times, dry season, and low rates of insurance at which some of our companies write. Right here we wish to state that competition in the fire insurance business on this coast is quite lively at this time, and parties desiring cheap insurance can be accommodated at some of our offices at figures to correspond with the dull times, and a beautiful chromo thrown in. Ninety days' credit will be given to reliable customers, and in special cases no cash required at all; only give your note payable twelve months after convenience, with one per cent. interest. In fact, there is nothing mean about some of our underwriters (?), and responsible parties can procure policies on their own terms. Send in your orders.

—If our readers who are interested in the business of underwriting in Virginia City, will add to the facts previously reported in our correspondent's letters, the additional facilities reported in the letter elsewhere for extinguishing fires in that city of zephyrs, they can form a correct idea of the situation.

—A reduction in the rate of insurance to the extent of 25 per cent. has recently taken place, especially to the North of Market Street.—*Morning Call*.

No reduction such as is here noted has taken place, or been contemplated. There has been a reduction on dwelling-houses in this city, even to the extent, in some instances, of more than 25 per cent. The *Call* and its coadjutor the *Bulletin* have been very unhappy of late in their insurance information.

—G. E. Caukin, Esq., for several years connected with the representative insurance firms at Virginia City as solicitor, has branched off on his own responsibility, having procured the State agency of the Mutual Benefit Life and the Amazon Fire, Insurance Companies. Mr. C. is an enterprising, courteous gentleman, and a good insurance man, and will doubtless render a favorable account of himself.

—The bill introduced in the Legislature of Illinois, allowing foreign insurance companies to deduct from the 2 per cent. tax upon their gross receipts the amount paid by them for the support of the Fire Patrol of Chicago, was, after having been referred to a committee who visited Chicago and made an investigation of the Patrol and its workings, defeated by a vote of 56 ayes to 63 nays. This action of the Legislature is to be regretted, as it is a well-known fact that the Chicago Patrol is almost indispensable, and benefits the citizens of that city equally as much as it benefits the underwriter; yet we could not blame the companies should they withdraw their support to the Patrol, for it is certainly a great hardship to have to pay the 2 per cent. tax, and in addition contribute to the maintenance of the Patrol, an organization which has proved of so much value to the citizens of Chicago. The probable result of the whole thing will be the disbanding of the organization and a general "rise" in rates in that city.

—An analytic statement of fires in New York City during twelve years, shows that over thirty-three per cent. have been traced to incendiarism. In the experience of seventy fire insurance companies in that city, thirty-two per cent. of their losses are attributed to the criminality or the negligence of the insured. The neglect of the "moral hazard" raises the rate of insurance against reputable policy-holders.

—Judge Westbrook, of Kingston, N. Y., in the case of the Attorney-General *vs.* The Continental Life Insurance Company, has decided that "only with the machinery provided by the insurance law can this company be wound up." This decision, which we believe is final, annuls all previous proceedings in the case and removes the present Receiver. A new Receiver will probably be shortly appointed by the Court. The *Chronicle*, of New York, which, like ourselves, is opposed to the interference of the State, says: "This is a very important decision, and of its equity and propriety grave doubts may be entertained."

—The directors of the Scottish Metropolitan Life Assurance Company have resolved to limit the operation of the suicide clause in the policies of the company to thirteen months from the date of the risk, after which payment will be made without cavil.—*Insurance and Real Estate Journal*.

This may do for Scotland, where people are economical, even of life, but it would not answer for San Francisco, where a suicide comes to us every morning as regularly as the breakfast tray.

—The cause of the fire at Lovejoy's Shoe Factory at Santa Rosa, on the morning of April 25th, is still among the mysteries that may never be revealed. Mr. Lovejoy cannot conceive that there was any object for incendiarism. His loss is heavy—about \$20,000. The insurance is distributed as follows:

Fireman's Fund (on building and engine).....	\$2,400
Hartford (on building and engine).....	1,000
Commercial Union (on machinery).....	1,000
Fire Association of Philadelphia (on stock).....	1,000
Imperial and Queen, together (on stock).....	4,600

Total.....	\$10,000
------------	----------

—Ship Black Eagle wrecked on Easter Island. Vessel and cargo a total loss. Hull sold for \$10.

Union, (on hull).....	\$5,000
Farmers' Fund, ".....	3,000
New Zealand, ".....	2,000
Fireman's Fund, (on cargo).....	3,000
New Zealand, ".....	1,700
Companies not represented here.....	8,000
Swiss Lloyd, (on freight).....	5,500
Commercial, S. F., ".....	2,000
State Investment, ".....	900
Fireman's Fund, ".....	2,000
Insurance Companies not represented here..	7,000

—We noticed in our last issue that grave charges were made to the Board of Supervisors by a Mr. Wood, against Superintendent Urquhart, of the Fire Alarm Telegraph. At the urgent solicitation of the Committee on Fire Department, Water Supply and Fire Ordinances, of the Board of Underwriters, a thorough investigation of the charges was made, and, from the evidence in the case, said charges were sustained and Mr. Urquhart removed from his position, and a Mr. Fuller elected to fill the office. The committee of the Underwriters deserves credit for the interest taken in the matter. They received the thanks of the Supervisors for their efforts in behalf of the city's interests.

—*The Argonaut*, edited by Frank M. Pixley and Fred M. Somers, and published weekly, is only six weeks old, but not to know it is to "argue yourself unknown." Not to read it is to be many fathoms beneath the level of the times. Both the gentlemen named above are well known as able writers, and the editorial pen of the *Argonaut* could not be in better hands. We believe that one of our prominent dailies was frequently indebted to Mr. Pixley for its best and most trenchant articles. There is a furlong of fun in the "Prattler" column, edited by A. G. Bierce, who, when he left the Town Crier department of the *News Letter*, took away with him nearly all its wit. The editorials of the *Argonaut* are all written with that graceful ease which denotes a writer consecrated and set apart for the service of journalism in its highest grade. The paper is of very handsome exterior. Its columns are filled with wit, sarcasm,

literary notes, foreign gossip, local hits, and, in short, with everything that is desired to make a paper amusing and instructive.

"Whate'er men do say, think, or dream,
That motley paper seizes for its theme."

The *Argonaut* has an air of determination which presages success. We sincerely hope that it will succeed.

—The latest quotations of the insurance stocks of some of the principal foreign companies represented on this coast is as follows:

	Capital.	Paid up	Par.	Higher.	Lower.	Last
British and Foreign, £2 originally paid.....	£ 200,000		4	14½	13-	14½
Globe Marine.....	100,000		4	4	3¾	3¾
Martimo.....	98,820		2	4½	4½	4 3-16rd
Svea.....	100,000		2	3 1-16	27½	3rd
Thames and Mersey.....	200,000		2	8½	7¼	8
Union Marine.....	203,200		5	7½	6 11-16	6¾rd
Guardian, Fire and Life (£10 originally paid).....	1,000,000		50	72	71	72
Imperial Fire.....	300,000		25	140	133	136
Liverpool and London and Globe.....	301,752		2	13¾	13¾	13¾
London Assurance.....	448,275		12½	68	68	67¾
Queen.....	200,000		1	39¼	3 7-16	3¾
Royal (£2 originally paid).....	300,000		3	18¼	17¾	18¾rd
Scottish Commercial, fire and life.....	125,000		1	39½	3¾	39½

—Mr. Sheppard Homans, in the *New York Times*, suggests that professional accountants or auditors should be employed to examine the accounts of insurance companies. We also have made a similar suggestion in our editorial in this issue on the subject of State supervision. The habitual employ-

ment of such experts would bring to the front a class of able accountants, who would act under the obligation of professional honor. Our commercial system has hardly formed such men into a professional class. "In Great Britain," Mr. Homans says, "no financial statement of an insurance, railway or other corporation is complete without the audit of such men, who have a professional character at stake for integrity and capability."

—April 26, Egbert & Co.'s flouring mill at Tulare was destroyed by fire. Loss about \$50,000. Insurance paid (on building, machinery, engines and boiler):

Home of Columbus.....	\$1,083
Franklin, Indianapolis.....	1,083
People's, N. J.....	1,083
Union, Texas.....	1,083
St. Paul.....	2,059
Home Mutual.....	4,332
Commercial, S. F.....	2,410

Total on building, etc.....\$13,133

On stock:

Jefferson.....	\$1,000
Franklin, St. Louis.....	1,000
Citizens', N. J.....	1,000
Northern, N. Y.....	1,000
State Investment.....	2,500
Citizens', St. Louis.....	2,500

Total on stock.....\$9,000

Total insurance paid.....\$22,133

—We notice in the *Finance Chronicle and Insurance Circular*, of London, that the fire premiums of the Lancashire Ins. Co.—of which Messrs. Farnsworth & Clark are agents in this city—were a little over \$1,500,000 last year, and while the losses were about 60 per cent. of the income, the expense of management was only a fraction over 23 per cent., leaving a profit of 16 per cent. on the business for the year. The losses were slightly beyond the margin usually recognized as indicating a good year; but the expenses are so reasonable for a company doing a large business, both at home and abroad, that the heavy losses can be sustained without producing an unsatisfactory result.

—The case of the Springers, man and wife, is an example of fraud defeated and punished. These persons, resident at Vallejo, piled up their bedding and other household

goods in one corner of their house, saturated them with coal-oil, and then left the matter to be passed upon by some ingenious apparatus that had been prepared for the purpose. The flames were seen by neighbors, who extinguished the fire and exposed the trick. The male Springer, in order to prove an *alibi*, went away from home on the night of the attempted incendiarism, and showed himself at South Vallejo and elsewhere. But he has been unsuccessful, and has been convicted of arson. The jury acquitted the woman, probably from a merciful consideration of her age and helplessness. She is about 60 years old.

—Rollins' *The Herald*, of Chicago, in a recent issue says :

"Chicago was honored for a few days last month by the presence of a life insurance president from the Pacific Coast, who boasts of his aspiration to become 'the Henry B. Hyde of the West.' This is a very praiseworthy ambition. But let's see. In *Æsop's* day didn't some animal go into the hide business, and end by demonstrating

that it took something more than a skin to make the royal beast?"

Wonder who *The Herald* refers to ?

—In the April number of the REVIEW, R. H. Magill was charged with having disseminated *many* anonymous circulars reflecting upon the standing of several of our insurance companies, and among them one recently scattered broadcast over this coast, reflecting on the Royal Canadian Insurance Company, a portion of which was a garbled statement from *The Insurance Monitor*. Immediately after the REVIEW was circulated in this city and Oakland, R. H. Magill went before a notary public and made affidavit denying any knowledge of the Royal Canadian circular, which affidavit was published in the daily papers of this city and Oakland. For the present we will answer this affidavit by stating that the REVIEW is not in the habit of making *random* shots. It *always* hits its mark, and therefore has no apologies to make, and *nothing* to take back. It will have more to say on this subject in a future issue.

ESTABLISHED

A. D. 1821.

GUARDIAN ASSURANCE COMPANY OF LONDON.

Capital paid up.....	\$5,000,000 Gold
Total Cash Assets, (including life accumulations).....	\$14,291,620 Gold
Cash Assets especially available for Fire Losses.....	\$6,738,100 Gold

Fire risks written on approved property in California, Oregon and Nevada.

BRITISH & FOREIGN MARINE INS. CO. Limited, OF LIVERPOOL.

Capital subscribed.....	\$5,000,000 Gold
Capital paid up.....	\$1,000,000 Gold
Reserve Fund, exclusive of Capital.....	\$756,740 Gold

BALFOUR, GUTHRIE & CO.
GENERAL AGENTS,
230 CALIFORNIA STREET, Near Battery, S. F.

STATEMENT OF THE CONDITION AND AFFAIRS OF THE

Liverpool & London & Globe

INSURANCE COMPANY OF LIVERPOOL, ENGLAND,

On the 31st day of December, A. D. 1876, and for the year ending on that day, as made to the Insurance Commissioner of the State of California, pursuant to the provisions of Sections 610 and 611 of the Political Code, condensed as per blank furnished by the Commissioner.

CAPITAL, \$10,000,000.00.

Amount of Capital Stock, paid up in Cash..... \$1,228,200 00

ASSETS.

Real Estate owned by Company.....	\$2,650,555.19
Loans on Bond and Mortgage.....	6,919,423.02
Cash market value of all Stocks and Bonds owned by Company.....	13,219,560.91
Cash in various Banks.....	1,857,754.06
Interest due and accrued on all Stocks and Loans and on Bonds and Mortgages.....	163,399.27
Premiums in due course of collection.....	799,993.54
Annuities, Life and Reversionary Interests purchased by the Company, and all other Assets.....	1,035,763.10
Loans made by the Company on Life Policies, Annuities, Life Interests, and Reversions, and on Railway Debentures.....	932,347.90
All other property belonging to Company, including Office Furniture and Sundries.....	61,343.17
Total Assets.....	\$27,720,140.18

LIABILITIES.

Losses adjusted and unpaid, in process of adjustment or in suspense, and resisted, including expenses.....	\$ 325,100.00
Gross Premiums on Fire Risks running one year or more, \$5,418,632.56; re-insurance 50 per cent....	2,709,316.23
Amount reclaimable by the insured on Perpetual Fire Insurance Policies.....	296,563.17
Re-insurance Fund and all other liabilities except Capital, under Life Insurance or any other Special Department.....	19,025,151.50
Dividends to Stockholders unpaid.....	25,081.62
Bills payable or acceptances not yet matured.....	25,081.62
Sundry working accounts.....	731,543.46
Total Liabilities.....	\$23,115,202.69

INCOME.

Net cash actually received for Fire Premiums.....	\$4,949,732.98
Received for interest on Bonds and Mortgages, and for interest and dividends on Bonds, Stocks, Loans, and from all other sources, excluding all interest credited to Life Department.....	556,960.00
Total Income.....	\$5,505,742.98

EXPENDITURES.

Net amount paid for Fire Losses (including — losses of previous years).....	\$2,203,720.19
Dividends to Stockholders.....	368,460.00
Paid or allowed for Commissions or Brokerage, for Salaries, Fees, and all other charges for Officers, Clerks, etc., for all other office expenses—excluding all expenses charged to Life Department.....	1,395,497.25
Paid for State, National and Local Taxes.....	46,667.73
Total Expenditures.....	\$4,114,345.17

LOSSES

Incurred during the year.....	FIRE. \$2,303,720.19
-------------------------------	--------------------------------

RISKS AND PREMIUMS.

	FIRE RISKS.	PREMIUMS.
Net amount of Risks written during the year.....	\$1,211,208,220	\$4,813,255.45
Net amount of Risks expired during the year.....	1,268,277,535	5,215,500.00
Net amount in force December 31, 1876.....	1,418,481,735	4,384,453.95
Risks written in State of California.....	21,249,104	316,810.39

Signed,

JOSEPH HUBBUCK, Chairman.
JOHN M. DOVE, Secretary.

Subscribed and sworn to before me, this seventeenth day of March, A. D. 1877.

Signed,

LUCIUS FAIRCHILD,
U. S. Consul, Liverpool.

Premiums taken in the Pacific Department.....\$367,356.79

W. B. JOHNSTON,

RESIDENT SECRETARY, PACIFIC DEPARTMENT,

OFFICE, No. 422 CALIFORNIA ST., SAN FRANCISCO.

COAST REVIEW.

A MONTHLY JOURNAL, DEVOTED TO FIRE, MARINE AND LIFE
INSURANCE.

J. G. EDWARDS, Editor and Proprietor,

320 California St., San Francisco, Cal.

VOL. 12.

JUNE, 1877.

NO. 3.

General Average.

A case which is reported in the current number of the *Law Reports* (Queen's Bench Division,) is well worthy of consideration in regard to the law of general average. The parties agreed to the facts upon which the opinion of the Courts was to be taken.

The plaintiff's ship, John Baring, was a ship of 547 tons registered tonnage, and in August, 1873, she sailed from Quebec for London, with a crew of thirteen hands and a cargo of timber. A portion of the cargo belonged to the defendants. The ship was furnished with a donkey-engine which was adapted for pumping the vessel as well as for loading and discharging the cargo and ballast, and it appeared that, though it was a common practice in 1876 (the year when the case was tried) for a ship to have such an engine, it was somewhat unusual in 1873, the year when the ship started on her voyage. The quantity of coal on board was five tons.

At the beginning of September the ship encountered very heavy weather, and as the crew were worn out with pumping, and the water was rapidly gaining, the master began to work the pumps by means of the donkey-engine. Some days after, as the supply of coals was rapidly failing, he burnt all the ship's spare spars, and a portion of the cargo, to keep the donkey-engine going. By this means the ship was kept floating

until a steamship happened to come up, when a fresh supply of coals was procured and the ship was safely docked in the Thames. The ship, the case goes on to say, was sufficiently equipped and manned for the voyage, according to the ordinary practice in equipping and manning such vessels for such a voyage, and but for the leak she would have had sufficient pumping-power on board without using the donkey-engine. As it was, she had not (without using the donkey-engine) sufficient pumping power to deal with the water which she actually made, and she had not on board enough coal, or enough fuel, or other materials belonging to the ship, to enable her to use the donkey-engine to the extent to which it became, in fact, necessary to use it.

The arguments which were employed to show that the losses incurred ought to be treated as general average losses, may be stated briefly as follows: The peril was imminent and urgent, and if the master had not acted as he did, the whole cargo—"the whole adventure," to use the technical phrase—would have been lost. The master, under these circumstances, has just as good a right to burn the spars and the portion of the cargo as he would have had to use the spars to form a temporary rudder, or to employ extra hands to work the pumps.

On the other hand, it was urged that the fact of putting the donkey-engine on board the John Baring amounted to a representa-

tion to the shippers of Quebec that the ship was better equipped than other vessels, and that the master was bound to have a sufficient supply of coal to work the donkey-engine. In fact, as it was well put in the course of the arguments, the donkey-engine ought to be regarded, under the circumstances, as part of the ship, and therefore to have an insufficient supply of coal for it, was as bad as to leave the ship without sufficient tackle.

The arguments in this case will, no doubt, appear to those of our readers who have followed thus far, to be as evenly balanced as possible. On the one side, there were all the usual circumstances which go to make up a proper case of general average; the peril was imminent, the sacrifice was voluntary, and made with the view of saving the whole adventure. On the other side, there was the fact that the ship was furnished with a donkey-engine, which was adapted for the purpose of pumping as well as loading the vessel, and that, if there had been a sufficient supply of fuel for the donkey-engine, there would have been no need whatever to have had recourse either to the spars or the cargo for the purpose of keeping it working. The facts indeed appeared to the judges before whom the case was tried to be so evenly balanced that they found it necessary to send the case back to have one point stated more explicitly, on which, in their opinion, the whole case turned. The point was this: "Had the John Baring, when she left Quebec, a reasonable supply of coals on board for the donkey-engine for pumping purposes?" This question being answered in the affirmative, the plaintiff was considered entitled to his claim for a general average contribution. The *principle*, however, on which the claim was resisted, was altogether approved of by the Court, though as we have seen, they considered the case disposed of when it was ascertained that there had been a reasonable supply of fuel for the donkey-engine under ordinary circumstances. A shipper of cargo, Mr. Justice Lush said, is entitled in time of peril to the benefit, not only of the best services of the crew in order to save his goods, but of

the use of all the appliances for that purpose with which the ship is provided. It follows that if, therefore, a ship is fitted up with auxiliary steam-pumping power, it is the duty of the owner to make some provision for supplying the engine with fuel. The owner of the ship is not, however, bound to have on board enough for every possible emergency, but he is bound to have on board a reasonable supply, having regard to the nature of the voyage, the season of the year, the quality of the cargo, the condition of the ship, and what experience has shown to be prudent to provide against. If he fails to do so, he cannot call upon the owners of cargo to contribute toward the reasonable supply. That would be to make them pay for that which he ought to have provided at his own expense.

The principle which underlies this case is a somewhat unusual one, and well deserves consideration. It is this: The owner of a vessel, when he fits her with a particular engine or machinery, is considered as making a representation that that engine will be available in time of peril, and if he fails in making this good, he will not be entitled to recover from others any indemnity for the consequences of his negligence.—*Review, London.*

The National Board.

REPORT OF COMMITTEE ON INCENDIARISM AND ARSON.

The following is a list of rewards, by States, which have been offered by the Executive Committee from April 1, 1876, to April 1, 1877, namely:

Alabama.....	2	\$ 750
Connecticut.....	8	5,000
Dakotah.....	1	250
Florida.....	2	750
Illinois.....	12	4,750
Indiana.....	3	1,000
Iowa.....	1	250
Kansas.....	2	1,000
Maine.....	1	200
Massachusetts.....	20	6,800
Michigan.....	8	3,750
Minnesota.....	1	500
Mississippi.....	2	500
Missouri.....	4	1,550

New Hampshire.....	3	1,000
New Jersey.....	3	1,400
New York.....	46	15,150
Ohio.....	3	750
Pennsylvania.....	26	9,550
Rhode Island.....	1	500
South Carolina.....	3	1,000
Tennessee.....	2	500
Texas.....	5	2,250
Vermont.....	2	750
	161	\$59,900

8.....	\$1,000	\$8,000
2.....	750	1,500
51.....	500	25,500
3.....	300	900
94.....	250	23,500
1.....	200	200
2.....	150	300
161		\$59,900

The following are the convictions upon the rewards which have been claimed and paid the past twelve months, namely (including the three cases of special appropriation):

The specific amounts are as follows :

LIST OF REWARDS PAID SINCE APRIL 1, 1876, WITH NAMES OF CRIMINALS, AND

TERMS OF THEIR SENTENCES.

Place.	Reward.	Names of Criminals.	Term of Sentence.
Orlean, N. Y.....	\$ 54.80	Solomon Dorman.....	7 years in State Penitentiary.
Philadelphia.....	100.00	Samuel Berg.....	8 years, solitary confinement, and fined one cent.
Bedminster, Bucks Co., Pa.....	500.00	Philip Bosand.....	4 years, solitary confinement, costs, and \$1 fine.
		Joel Tettmer.....	1 year, solitary confinement, costs, and \$1 fine.
N. Hempstead, L. I.....	500.00	John Albertson.....	4 years in Sing Sing, died <i>en route</i> .
Yankton, D. T.....	250.00	George Wait.....	25 years in State Penitentiary, at hard labor.
Mobile, Ala.....	250.00	James Nelson.....	10 years, hard labor, in State Penitentiary.
Columbia, Mich.....	250.00	James Robinson.....	2 years, hard labor, in State Prison.
		John B. De Huff.....	10 years and 9 months, solitary confinement at labor, costs, and \$1 fine.
		Jacob Widner.....	7 years and 3 months, solitary confinement at labor, costs, and \$1 fine.
		— Hendell.....	6 years and 5 months, solitary confinement at labor, costs, and \$1 fine.
Carlisle, Pa.....	250.00	Henry Grove.....	4 years and 6 months, solitary confinement at labor, costs, and \$1 fine.
		Chas. O'Donnell.....	3 years and 6 months, solitary confinement at labor, costs, and \$1 fine.
Roundout, N. Y.....	250.00	Levi Brazeo.....	3 years in State Prison at Sing Sing.
Greenville, Miss.....	500.00	Samuel Fowl.....	Convicted of arson, and sentenced to State Penitentiary for life.
		Peter Wall.....	
		John Harden.....	
Marlboro, Mass.....	250.00	Orrin D. Hinckley.....	6 years at hard labor in State Prison.
		Levi P. Warner.....	State prison, for life, at hard labor.
		Charles Reiser.....	3 years at hard labor, in State Penitentiary.
Michigan City, Ind.....	250.00	John Simmons.....	2 years at hard labor, in State Penitentiary.

Number sentenced as above.....21. Which cost the National Board companies.....\$3,404.80.

N. B.—Of this amount, the following items, viz, Philadelphia, \$100; Orlean, \$54.80; and Marlboro, \$250, were voted in deserving cases where no rewards had been offered. The sum of these, \$404.80, leaves \$3,000 as the amount paid on account of rewards offered.

Whole number sentenced from time of raising the fund, 44; total cost, \$7,909.80.

Under the original fund, which was ordered in May, 1873, and subscribed to in the subsequent months, there were 336 re-

wards offered, amounting in the aggregate to \$154,325. These were without limitations as to time; and on November 5, 1874, the Executive Committee made a limit under the following resolution, viz: "That all rewards for the detection, conviction and punishment of incendiaries offered on and after this date, under National Board resolutions on the subject, be considered withdrawn at the expiration of one year from

the date of their issue, unless, for special reasons, the committee deem it advisable to extend the time during which they shall be operative.''

The following shows the disposition and present condition of these rewards, namely:

Number of rewards and amount paid	13	\$ 4,500
Number of rewards dated prior to Nov. 5, 1874, unclaimed.....	156	81,275
Number of rewards dated subsequent to Nov. 5, 1874, and expired	167	68,530
	336	\$151,325

Your committee would recommend that the 156 rewards dated prior to November 5, 1874, and unclaimed, be considered withdrawn on and after October next, the parties in interest to be notified by the Executive Committee of the same not later than July 1st next. The subscriptions and voluntary contributions to this original fund amounted to \$110,400, and by the above resume it will appear that \$81,275 is still outstanding against it, which it is the design of the above recommendation to remove.

Under the second fund, ordered by the annual meeting of 1875, and which became operative on January 1, 1876, there appears as follows:

Number of rewards and amounts paid	9	\$ 3,000
Number of rewards expired by limitation.....	58	20,950
Number of rewards outstanding.....	151	57,650
	221	\$81,600

There is the sum of \$100,460 subscribed and promised under this second fund, and the rewards outstanding against it amount to the sum of \$57,650.

In view of the past percentages of rewards claimed to the total offered, your committee are of the opinion that the board is warranted in authorizing the Executive Committee to continue for another twelve months the offering of rewards under the second fund.

Your committee did not undertake to collate from members generally the items of information recommended by them and sanctioned by the Board at your last annual meeting. In the reports of members to the Committee on Statistics there will be found that incendiarism still holds its leading po-

sition as one of the causes of fire which our companies are called to meet. In the report of that committee to this meeting will be found (Recapitulation, Appendix B) that from returns made by seventy-two companies on losses on special hazards, incendiarism and arson cases stand first as to known causes both in number of fires and amount of losses paid; the number of fires being 373; total amount of insurance, \$4,034,742, and losses paid, \$2,724,412.22.

The particular questions addressed to our members a twelve-month since, in order to obtain precise information in this matter, did not call out such definite information as would form a basis upon which to build an exact percentage of their losses due to this cause. The results as announced last year, even upon the incomplete returns then given us, as borne out in the experience of the past year, if we can form any opinion or estimate from the verbal statements made to us from time to time by our members.

There are three prime motives in all cases of incendiarism, viz: malice, mischief, or mania; the two first are readily admitted by the community, but few recognize how much the last-named cause exists. It is the opinion of an eminent gentleman for many years connected with inquiries into prison discipline, after personally examining numerous arson convicts in various degrees, that more rigorous sentences are required for this exceptionally flagrant crime; and he advises that all persons convicted of the crime be so examined and treated as to ascertain the causes which induced the acts of crime; and he asserts that any human being who deliberately or in sudden passion is guilty of arson must be considered of the class of those who burn or scuttle a ship or wreck railway trains, and is a criminal of peculiar type, whose mental and moral condition requires absolute control by penal methods or by a life-time surveillance, for they seldom reform. The crime once committed successfully without discovery will lead to another, such seems to be the subtle fascination of this peculiar mode of doing injury to person and property. Arson is an extraordinary crime, and should have

extraordinary treatment; and it is gratifying to notice in the prison returns that the term of punishment is, in most States, lengthening, thus evidencing an increasing estimate of the peculiar enormity of the crime.

It may be charged to fire underwriters that they take an exceptionally unfavorable view of this crime, and that their peculiar interests magnify its effects and results; but as they come so frequently in contact with cases of incendiarism, in which they find human life is jeopardized, they must overlook the charge of self-interest, and continue to impress upon the community the inherent danger there lies in it to society at large. To substantiate this emphatic view of the matter, we quote as follows from the gentleman above referred to:

"I conversed with a recently arrested prisoner for arson (in the second degree), who will never be safe at large; his moral sense and mental perverseness are hopelessly beyond reformation (at sixty years of age). In an adjacent county I found the popular sympathy was saving an incurably depraved man from conviction. In another county I found a prisoner who confessed his arson circumstantially, and who, treated in the best sense, should for his life-time be under surveillance, because of faulty (not insane) mental organization."

While the circumstances of the cases here cited would apply as well to kleptomaniacs as to incendiaries, yet with the latter is attached the crime of imperiling life. And so far as safety to life is a prime element in human government, just so far should government meet with prompt severity any crime that so inherently hazards the life of any of its constituents.

The truth of the above statement is so firmly impressed upon your committee, that they think it wise that some communication be made thereon to the various State governments, in order that the subject should receive renewed attention at the hands of their Executives and Legislatures, and we therefore beg to recommend that the Executive Committee take such steps at an early day as they may deem the most practical to

bring the subject to the attention of the various State authorities, by letter or otherwise; and at the same time to direct the attention of our members to the matter, requesting them to confer with their several agents with a view thereby of forming the communities generally upon the gravity which incendiarism have assumed in this country.

Compilations have been made by the secretary of the Committee of Statistics, showing the number of convicts, for the past twelve years, in the different State prisons and reform schools, with their terms of sentence. These are added thereto, in an appendix, and they form a more significant picture than any other illustration your committee could employ, to convey to the fire underwriters at large and the general community some idea of the extent to which this crime has reached throughout the States; and yet they are impressed with the fact that the convictions are but a small percentage of the really successful cases of incendiarism. If the small proportion of claims under the National Board rewards form any guide to an estimate in the matter, the assertion would not be wide of the mark that, were convictions wrought on all incendiaries, the present prison accommodations would be insufficient for their incarceration.

New York State Superintendent's Report.

PART I.

FIRE AND MARINE INSURANCE.

STATE OF NEW YORK,

Insurance Department,

Albany, March 19, 1877.

The Superintendent has the honor to present the eighteenth annual report of the insurance department of the State of New York.

Having only so recently as the twenty-fourth day of February last been appointed to the office, and almost every figure of this report having been in print previous to that date, the Superintendent deems it unnecessary and out of place to present to the Le-

gislature anything else than what is specifically required by legislative enactment, believing that such is fully embraced herein.

THE BUSINESS OF 1876.

Table No. 1 shows the amount and character of the assets of the fire, fire-marine and marine insurance companies of this country doing business in New York State December 31, 1876. In gross their assets amount to \$130,249,637.34. The joint-stock companies of this State return \$59,258,-675.54; stock companies of other States, \$67,864,871.17; the New York Mutuals, \$382,206.41, and other State Mutuals, \$2,743,884.22. This table also indicates those which unite with the fire a marine business, more or less extensive.

Table No. 2 gives the liabilities of these companies in the same order. Excepting scrip and capital, they aggregate \$37,661,-612.68. New York stock companies report \$13,771,850.23; other State stock companies, \$22,787,933.25; New York State Mutuals, \$263,209.28; other State Mutuals, \$833,-569.92. The whole amount of scrip liabilities is \$1,795,726.90, and of capital, \$56,-623,440.

Table No. 3 exhibits the nature and sources of income for the year, aggregating \$56,462,138.31. The excess of income over expenditures is seen to be \$4,759,600.42. Fifty-seven companies appear to have expended \$876,408.44 more than they received.

Table No. 4 gives the expenditures itemized and in gross, which amount to \$51,-702,537.89.

Tables 5, 6, 7 and 8 give the standing and last year's business of the purely marine companies. Table No. 5 shows the total assets to be \$25,117,139.17, a decrease of \$543,566.64 from the amount returned in 1875. Table No. 6 gives the liabilities as \$7,052,783.75, a decrease of \$109,098.28, as compared with the year preceding. Table No. 7 shows the income to be \$9,290,614.09, being \$1,363,456.34 less than that of the previous year; while Table No. 8 gives the expenditures as \$8,527,768.97, being \$824,222.80 less than was paid out the year before. Five companies show an excess of in-

come over expenditures of \$1,010,715.36. Five companies appear to have paid out \$247,870.24 more than they received.

The next three tables give statistics relative to foreign insurance companies doing business in this State. Table No. 9 shows the so-called "capital" under the law of 1871, aggregating \$8,109,161.88. Table No. 10 gives the capital, assets, liabilities and surplus of such companies, as reported from the "home" and United States "branch" offices. Table No. 11 exhibits the corresponding returns of income and expenditure, with the excess of the one over the other.

Table No. 12 exhibits the business done by all the fire, fire-marine and marine insurance companies which made returns to the department, with the net assets, premiums charged, ratios of net assets to risks in force, and ratio of premiums charged to risks written. From this table it appears 224 companies, possessed of \$166,120,072.79 of net assets at the close of the year, were covering \$6,324,059,310 of risks, an average of \$2.64 for every \$100 insured; and that during the year, on receipt of \$75,954,090.51 in gross premiums, they undertook to carry \$7,473,602,370 of risks, at an average rate of one dollar and two cents for every \$100 insured.

Table No. 13 shows the disposition of income. The amount received in premiums was \$68,185,841.55, while \$35,219,398.55 were paid for losses, \$22,374,778.28 for expenses and \$11,036,831.27 for dividends. The average ratio of gross expenditures to gross income is 88.96; of losses paid to premiums received, 51.65; of expenses to gross income, 29.00; of dividends to capital stock, 14.15.

Table No. 14 gives the date of organization and the per-centage of surplus or impairment in the case of joint-stock insurance companies of this and other States. The amount of surplus held by all said companies doing business in this State was \$34,-025,852.52, as against \$31,171,768.28 last year; while the total impairment is \$85,-579.29, as against \$18,494.12, a difference of \$67,085.17 against 1876.

BUSINESS IN NEW YORK.

Table No. 15 gives the fire business transacted in New York during the past year, with a statement of the marine and inland risks written, in addition thereto, by the stock companies of this and other States and countries and by the mutuals of other States.

The fire premiums received were \$17,350,851.79; the fire losses paid, \$8,956,207.53; fire losses incurred, \$9,041,488.63.

The estimated amount of expenses for the transaction of this business is given at \$5,512,101.24, which, if added to the incurred losses, and the total taken from the premium receipts, leaves an apparent net profit of \$2,797,261.92.

Fourteen New York companies, on the above basis, show a loss of \$121,150.62; thirty-four companies of other States, a loss of \$240,559.93; two companies of other countries, a loss of \$7,055.11.

The amount of fire risks written in 1875 was \$2,738,993,578; in 1876, \$2,535,596,717—a falling off of \$203,396,861.

The amount of marine and inland risks written in 1875 was \$167,344,498; in 1876, \$192,066,683—an increase of \$24,722,185.

The ratio of fire losses incurred to risks written is represented by the decimal .36. The ratio of losses to premiums is over fifty-two per cent.

CHANGES DURING 1876.

Table No. 16 shows that two joint-stock insurance companies were organized during the past year, with a total capital of \$400,000.

One company—the Westchester—increased its capital \$50,000.

The corporate name of the New York and Yonkers Fire Insurance Company was changed to the New York City Insurance Company.

Three companies, with aggregate capital amounting to \$600,000, have discontinued business, and are winding up their affairs, as follows: The Metropolitan Insurance Company, of New York, Charles E. Appleby, receiver, reinsured its outstanding risks in the Continental, of New York; the Oswego County Farmers Insur-

ance Company, of Sandy Creek, reinsured its risks in the Homestead, of Watertown, N. Y.; the Oswego and Onondago Insurance Company, of Phoenix, N. Y., reinsured its risks in the Commercial Union, of London, England.

The Farmers Joint-Stock Fire Insurance Company, of Meridian, N. Y., was, after an examination, required to pay in \$50,000, to make good an impairment of capital. The company have until April 1, 1877, to make up the amount, and if the requirements are not complied with at the date mentioned, I will report it to the Attorney-General for his action.

Eight companies from other States, with a total of capital amounting to \$1,725,000, and four companies from other countries, representing paid-up capital of \$3,673,995, have been admitted during the year, making twelve companies, with an aggregate capital of \$5,398,995.

Ten companies of other States and one of another country have withdrawn or been excluded during the same period, with capital amounting to \$3,767,586.

Total increase of capital during 1876, \$1,781,409.

COMPANIES AUTHORIZED.

Table No. 17 gives a complete list of all the fire, fire-marine and marine insurance companies entitled to transact business in the State on March 19, 1877, arranged in alphabetical order, with their officers, and in case of companies from other States and countries, the names and address of attorneys upon whom process can be served. The total number of companies shown in this list is 226, as follows:

	Fire and Fire- Marine.	Marine.
New York, Joint-stock.....	100	3
Other States, Joint-stock.....	83	1
New York, Mutual.....	8	6
Other States, Mutual.....	4	
Foreign.....	15	6
	210	16

Respectfully submitted.

JOHN F. SMYTH,
Superintendent.

The Romance of Life Assurance— Its Trials, Tribulations, and Tragedies.

"Talk of your German universities," said the little old man. "Pooh, pooh! there's romance enough at home, without going half a mile for it; only people never think of it."

Pickwick Papers.

When the modern writer of dramatic fiction is in want of tragic incidents or character, he does not look for them in the dark pages of mythological or mediæval story; he finds what he wants in the sensation columns of a daily paper. The ubiquitous reporter unfolds for us every morning a volume of romance as vast and various as could be compiled from the legendary lore of German castle or Italian palace. This may not seem so to those whose imagination requires to be stimulated by the pictorial accessories of olden story. The pennon and the plume, the helmet and the coat of mail, the frock and the cowl, and all the panoply and paraphernalia of chivalry, feudality and priestcraft have passed away, but not the passions that informed these emblems with life. From desk and counter at the present day, as from castle and cloister of olden time, come the romance and tragedy which the fates have woven in the woof of man's existence. It is not surprising, therefore, that life assurance, which deals with the darkest portion of his destiny, should be prolific of tragic and romantic incidents.

ORIGIN OF ASSURANCE.

Various vague conjectures have been set forth in regard to the origin of assurance, and the construction of certain events in a remote period of history has been ingeniously strained in order to invest the subject with the prestige of antiquity. But whatever value may lie in this sort of conjectural criticism, it is certain that the principle of mutual protection, to which has been given the generic name of assurance, was discovered many ages before it became crystalized into a system of extensive utility. "The inventive powers of man are divine," says De Quincey; "and also his stupidity is divine;" but it is improbable that man, even

in the state of his stupid alternation, could have long overlooked the discovery of some method of protection which the vicissitudes of his daily life were hourly demanding. Discarding all traditions of an apocryphal character, we find the first germ of life assurance in a commentary on the Justinian Code, which professes to give a valuation of life annuities, and which in this respect, according to Mr. Francis (the author from whom we have drawn our present materials), evinces a knowledge of the expectations of life considerably in advance of the theories which prevailed in Europe at a comparatively modern period.

GUILDS, CRUSADERS, AND HOLY MEN.

The first authentic record, however, of life assurance effected on a plan somewhat analogous in its elements to that of the present system is found in the chronicles of the Anglo-Saxon guilds or trade associations, for the purpose of mutual aid and protection. The rules of one of these societies, founded about 800 years ago, decree that on the death of any member each of the others shall contribute to the expenses of the funeral and to a fund for charitable and ecclesiastical purposes, the last part of this expenditure being probably intended to provide for the contingencies that might come to the spiritual portion of the departed, a matter of more consideration to our pious ancestors than any temporal provision for the benefit of his wife and children. It was also ordained that on the burning of any member's house each of the fraternity should indemnify him to the extent of one penny. Here, then, is some solid ground on which to fix a foundation for assurance, both life and fire.

The accidental and guarantee methods emerge in the practice of the Crusaders, many of whom, for a stipulated sum in advance, provided for their ransom in the event of captivity. Holy men who crossed to Palestine seem to have used the same worldly precautions as their secular brethren, thus anticipating by some centuries the practical effect of Cromwell's well-known exhortation, who told his troopers to trust in God, but to keep their powder dry.

ANNUITY-MONGERS AND USURERS.

The times that may be designated as the middle ages of assurance history are full of curious and interesting incidents, and would furnish a novelist with ample material for the construction of a thrilling plot, or for the delineation of marked and original character. Life assurance, it is true, did not exist in those periods, but the cognate system of annuity selling seemed to flourish in great vigor. No combined organization was then in existence for the transaction of this business, and it was in the hands of individuals, generally usurers of the most savage and unscrupulous type. The name of Judah Manasseh Lopez, a Lombard Jew, settled in England in the early part of the seventeenth century, is badly eminent in the lists of the professional annuity-mongers. His daily appearance on the mart, where "merchants most do congregate," is graphically described in the chronicles of the period; and the contempt and aversion which the presence of this man inspired are spoken of as hardly concealed by the marks of outward deference which were bestowed on him by those who needed his assistance. From the spendthrift noble to the poor widow who brought her mite of savings, Manasseh found among all classes a profitable employment for his usurious gains. The Duke of Buckingham, the celebrated favorite of Charles I., was among his customers, and it appears from the attempt of Lopez to purloin the Duke's title-deeds that the former sometimes varied the pursuits of his specialty by a little felony. Darker tales are told of him in regard to the sudden and mysterious death of some of his annuitants. Lopez had evidently studied scoundrelism as a fine art, and even if he sometimes came within the meshes of the law, they were not strong enough to retain him. His ill-fame has hardly been paralleled in the annals of swindling and crime, which followed the first establishment of life assurance in England, but his reputation for mere financial shrewdness has been eclipsed by Audley, an annuity seller of a century earlier, who, in strictly chronological order, should have been mentioned

first. Audley, who began life as a lawyer's clerk on the smallest stipend, is the first millionaire of whom there is authentic record among the commercial men of Great Britain. Accepting literally the language of his biographer, we assume that he died worth one million of pounds sterling, a sum, considering the relative purchasing power of money, equal to many times that amount at the present day. It does not seem that Audley's cunning ever passed into criminality. In these days, when "shaving" is almost a necessary part of our commercial and social polity, he might pass for a reputable man. Whatever Audley did *not* know, he certainly knew how to apply the principles of geometrical progression. It was he who sold a claim for a trifling amount on condition that the purchaser should pay him one penny, to be doubled progressively for twenty consecutive months. Anyone with a genius for this sort of figuring can ascertain the result without cost. The purchaser in the premises paid a royal price for learning it.

SHYLOCK SALVADOR AND GIDEON.

The practice of selling life annuities by individual usurers was carried into the eighteenth century. Salvador, called Shylock Salvador, and Sampson Gideon are improvements on the Lopez type, but they come generically from the same stock. It was Gideon who used to say, "Never grant annuities to old women; they wither, but never die." And when an annuitant coughed on coming to him, he would say, "Ay, ay, you may cough, but it shan't save you six months' purchase." As may be supposed, a large part of the annuity business done by these men was simply a cloak for usurious transactions, which were at that time illegal.

The purchase money exacted by Audley, Lopez, and their professional contemporaries was large enough to secure their operations against the caprices of chance; but they knew nothing of the principles on which life annuities should be granted. No vital statistics had then been compiled, nor was any step taken in that direction until the appearance of John Graunt's book on the observations of mortality.

FIRST TABLE AND TRIAL OF LIFE ASSURANCE, ETC.

This man, the mention of whose name no treatise on the principles of life assurance can ever omit, was born in obscurity, and received only the meagre education which was the lot of his class at the period of his appearance. It does not seem that he had any practical purpose in his attempts at vital registration. They came simply for the gratification of an enlightened curiosity, or from that instinctive impulse of genius which has given to the world its most important acquisitions. Graunt was followed by Petty, another man of genius, who, beginning life with nothing, founded a fortune and a noble house. It was from the researches of these two men, and from some observations made in the town of Breslau, in Silesia, that Halley, the Astronomer Royal of England, constructed the first table of the probabilities in the duration of human life. This was published in 1693, and that it was "very much wanted," says Mr. Francis, "may be assumed by the fact that in 1692 annuities were granted on single lives at 14 per cent., or only seven years' purchase," and the Government, in converting annuities for life into annuities for ninety-nine years, required only an extra purchase of $4\frac{1}{2}$ years. An annuity for ninety-nine years could be procured from the Government by the payment of $15\frac{1}{2}$ years' purchase. Halley, it is true, had been preceded to some extent by the celebrated John de Witt, the pensionary of Holland, who, when the States General were negotiating some life annuities, drew up a treatise on the subject from a theory propounded in the provincial letters of Pascal; but as de Witt's treatise was suppressed shortly after its appearance, it is not likely that it was known to the statisticians of Great Britain. There is no record of a policy of life assurance until 1697, when one was granted by a merchant of London to Sir Robert Howard; and by a singularity of circumstance this first policy became the cause of the first law trial which is recorded in the history of life assurance. The particulars and result of this trial will be furnished in the next number.

The Life Insurance Question—Surrender Values.

About thirty years ago, in the infancy of American Life Insurance, a life policy was something of a luxury with the generality of our people. It was not at least a strict necessity, as it has since become. Times were prosperous; war with its waste had not then devastated the fairest portion of the country; new fields were being discovered for the acquisition of wealth, and although the individual colossal fortunes, which are a characteristic of the present age, did not then exist, the means of comfortable, and even luxurious living were more widely diffused. Life was easy for all classes, and care for the future was of a prudential rather than of a painful cast. These were halcyon days for the life insurance agent. His vocation had then the interest that attaches to novelty; he had a story to tell which all were glad to hear; the well-to-do business men of the towns listened intelligently and deferentially to his propositions which might prove subsidiary to the success of their future operations; and to the rural population, his advent was welcomed as a relief to the monotony of bucolic existence; with the showman and the circus-rider he shared the admiration of the unsophisticated villagers; they admired his ready eloquence, the ease of his manners and the copiousness of his information.

"And still they gazed, and still the wonder grew,
That one small head could carry all he knew."
They listened open-mouthed to his fluent talk, that told them of sums almost fabulous, which any body might participate in on the easiest terms; occasionally, his persuasive powers were rewarded by a premium from some villager or farmer, shrewder or more far-seeing than the rest, and the *eclat* of the operation would attract a score of others. The deacon might shake his head and say that life insurance was sinful, but the agent was no agent at all if he could not confute such casuistry as this by reason or ridicule. The contingencies and complications of the system were hardly understood by the agent himself, and even other-

wise, his explanation to such hearers would have been unmeaning nonsense. Even now, to the inexpert public, the details of the science are shrouded in the deepest mystery, but the necessities of the times are demanding an elucidation. Life insurance is so welded to our social and commercial system, that it can never be dissevered; but if it is to become universally popular, the causes of public discontent must be patiently inquired into, and, if possible, removed.

The question of questions at the present moment is that of surrender values on policies that may lapse by the non-payment of premiums, and it is being discussed with great vigor by the best intellects of the profession; Charlton T. Lewis, the secretary of the New York Chamber of Life Insurance, representing the conservative side, and Sheppard Homans, the well-known actuary, the party of reform. Elizur Wright "chips" in occasionally in support of Homans, who, as counsel for the plaintiff, must have the first hearing. He shows, by the last report of the New York Insurance Department, that in 1875 alone, no less than 61,055 policies, insuring \$142,903,483, were forfeited for non-payment of premiums. "Every dollar," he says, "of reserve or payment in advance thereon, was confiscated. The losses to individuals every year from the forfeiture of their policies have been fearful, while the gains to the companies have been neutralized in whole, or in part, by the odium justly attaching to such flagrant wrong, and the consequent enhanced cost of procuring new business."

Mr. Lewis is not at all dismayed by these statistics and the satire that accompanies them, and although he does not on this point answer Mr. Homans specifically, the general tendency of his argument is to show, that in the majority of cases the lapsed policies were not entitled to a surrender payment. He does not deny the justice of giving surrender value to policies that have been many years in force, and he lays down the following rule as the measure of equity between the companies and the withdrawing members:

"Let the insurance be regarded as pledged to the company solely as security for the annuity, or annual premiums contracted to be paid. Let the company take it (the insurance) at the net price which it appears to have according to the company's own tables of mortality. If this value exceeds the value of the annuity secured by it, as determined by the same tables, let the difference be given to the owner of the policy in insurance—the commodity in which the company deals. In other words, whenever a policy lapses by its terms, let so much of the insurance terminate as is equal in value to the premiums promised and unpaid, and let the rest be kept in force."

Mr. Lewis has stated substantially the nature of the contract that is made between the companies and their policy-holders on ordinary life policies. It is true that under his rule the withdrawing members are assessed for their quota of the expenses until the end of their expectation of life, and that they cannot elect to take their surrender value in cash; but it is equitable that they should not be altogether absolved from paying for the increased ratio of mortality and expenses which their withdrawal might entail. Mr. Homans, in his letter to the *New York Herald* of the 13th of March, endeavors to establish a parallel between a lapsing policy and a mortgage, on which the mortgagor is delinquent, and his opponents would probably not be unwilling to concede this position. In both cases there is an equity of redemption; it is only necessary for the integrity of Mr. Homans' comparison that there should be some value to be redeemed in both cases.

Mr. Homans, in the letter before referred to, supposes the case of an individual aged forty, who might be desirous of providing for his heirs the sum of \$10,000 by the payment of a single premium. The price in the Mutual Life would be \$4,445. But, if instead of paying this sum to the insurance company, he should place in a savings bank at 4 per cent., the annual interest would be more than sufficient to insure \$5,545, viz., the difference between the \$10,000 required and the amount of the deposit. In case of

death, the heirs would receive \$10,000 exclusive of excess of interest, and additions on the policy, and in the event of the policy-holder's desiring to terminate his contract, he could withdraw from the bank the funds which had furnished the premium on his policy. Of course, if he had paid the \$4,445 to the insurance company, he could not at will have withdrawn that amount intact, but then the company would have been carrying a risk on his life for \$10,000, and not for \$5,545 only. The illustration would apply in the same manner to all of a person's capital, if he should desire to invest his total income in insurance. If it consisted with their mode of business, the insurance company would consent to receive such capital, give insurance for the interest, and return the principal on the desire of the insured to terminate the contract. They would also pay such a surrender value as might be justified by their mode of computation. The \$4,445 placed in the savings bank is no more a part of the relations with the insurance company than any other part of the depositor's capital. The question is only whether the annual premium on the \$5,545 is more than that insurance is worth.

We have taken as the text of this article the *Monitor's* condensed report of a contribution by Mr. Charlton Lewis to the May number of the *International Review*. Not having seen that periodical, we are unable to pronounce an opinion on the whole merits of the discussion. Our views on the few points that have come under our notice are given only in the form of suggestion.

The Referee's Report Upon the Continental Life Ins. Co.

From the *Chronicle*, New York, of May 3d, we clip the following reference to the report of Referee Butler on the affairs of the Continental Life Insurance Co. of New York, which is very interesting reading, especially to the policy-holders of that fraud:

The story of the mismanagement and fraud of the officers of the Continental Life Ins. Co. is now in a definite shape. The

referee in the Hoyt suit, Mr. Wm. Allen Butler, has within ninety days taken 1,500 pages of testimony on the subject, and he presents with commendable promptitude a lucid report. It is a shocking story. The assets of the company are \$2,681,500; the liabilities, \$5,800,000. The difference, more than \$3,000,000, has been lost, squandered or stolen. Exactly what part was honestly but foolishly thrown away, and what was wickedly misappropriated by the officers, cannot be fully determined. There are many facts given which serve to show how largely the officers dipped into the till. They voted themselves annuities, and then commuted them for cash to the amount of \$155,000. The president of the company received, during the ten years of its existence, \$635,000; but about half a million dollars of this was for commissions on policies, a large part of which had been credited to him before he became president. There seem to have been also some pickings in the form of stock dividends and "extra" dividends. Then again the company bought in a large proportion of its almost worthless stock; and not content with this, bought also the stock of another insolvent concern at par—that concern's stock having been chiefly owned by the officers of the Continental.

Mismanagement and misrepresentation went hand in hand. The company was entirely in the hands of its officers. The directors gave little attention to its affairs; the State insurance department still less. The president, the acting president, and the secretary had things all their own way. All the familiar devices for "cooking accounts" were resorted to. A bank was found that lent itself to the nefarious business, and when there was a necessity for making an annual statement, gave the company credit for \$175,000 as cash, for drafts to that amount on agents; the drafts were afterward returned to the company, pinned together, without any attempt at collection. When the company had not a dollar lent on Government bonds, its statement declared that \$270,000 of its loans had such security, when in fact the money referred to had

been lent to three insolvent corporations—the New Jersey Mutual and the Empire Mutual Companies, and the Atlantic National Bank. The asset of “premium notes” was overstated by about \$500,000; of uncollected and deferred premiums by more than \$300,000. What was actually done in the way of loans to the New Jersey Mutual, then known to be in a very precarious condition, was to put in the hands of its officers \$107,000 of bonds and mortgages, and \$78,000 of Government bonds, without taking a pennyworth of security in return. The immediate object seems to have been to enable the New Jersey concern to make a favorable showing while under examination; probably the securities were meant to do double duty as assets of each company.

The referee calls attention to the temptation the business offers to reckless and wrecking management; the inability of policy-holders to protect their interests; the inadequacy of State supervision. The facts point the moral; it is not necessary to adorn the tale. Happily what there is left is in honest hands with the receiver, Mr. Grace; but the referee alludes with regret to the litigation still in progress for the control of the company's assets. “The fate of the policy-holders,” says Mr. Butler, “will be hard indeed, if what has been saved from mismanagement and fraud in the company is to be kept at risk in the Courts.”

Alleged Demoralization in Fire Insurance Rates.

The *Insurance Monitor* of New York in the May issue furnishes the following comparative table of fire insurance rates for the ten years ending 1876. This table has been compiled from the reports of the New York department, and refers to all the companies permitted to do business in that State. It is remarked by the *Monitor*, in order that its statistics may not be challenged as incomplete, that in 1867 the foreign companies in New York did not report their outside business, and that for four years afterwards, only four reported the whole of their Amer-

ican business; but as the risks and premiums in the table in regard to the foreign business belong to each other, the rate can be established with sufficient precision.

According to the *Monitor's* showing, although the rates declined in 1876, they were at the end of that year only one cent below the average for ten years preceding, and were higher than from 1867 to 1872 inclusive.

AMERICAN COMPANIES.

Year.	No. of Cos.	Fire risks written.	Premium charges thereon.	Rate.
1867	153	\$3,812,294,908	\$36,162,138	.95
1868	156	4,169,495,475	37,395,740	.90
1869	160	4,454,808,664	39,353,579	.88
1870	166	4,509,617,329	40,688,296	.90
1871	141	4,160,365,984	38,034,433	.90
1872	150	4,834,648,371	46,495,961	.96
1873	176	5,121,691,824	56,391,105	1.10
1874	184	5,220,967,364	56,066,085	1.07
1875	187	5,340,770,907	52,981,870	.99
1876	193	5,143,696,730	49,480,041	.96
		\$46,768,356,656	\$453,049,248	.97

FOREIGN COMPANIES.

1868	4	\$322,999,099	\$3,048,484	.94
1869	4	411,097,355	3,945,070	.96
1870	4	467,064,446	4,517,608	.97
1871	4	665,103,957	6,328,551	.95
1872	8	1,038,333,745	9,966,579	.96
1873	11	1,117,759,454	12,368,733	1.11
1874	14	1,052,382,718	11,668,576	1.11
1875	14	1,126,192,338	11,863,453	1.05
1876	15	1,149,421,391	11,729,254	1.02
		\$7,350,354,502	\$75,434,308	1.03

COMBINED.

1867	153	\$3,812,294,908	\$36,162,138	.95
1868	160	4,492,494,574	40,444,224	.90
1869	164	4,865,906,018	43,298,649	.89
1870	170	4,976,681,775	45,205,904	.91
1871	145	4,825,469,941	44,360,984	.92
1872	158	5,872,982,116	56,462,540	.96
1873	187	6,239,451,278	67,759,838	1.10
1874	198	6,273,350,082	67,734,661	1.08
1875	201	6,466,962,345	64,845,322	1.03
1876	208	6,293,118,121	61,209,235	.97
		\$54,118,711,158	\$528,483,556	.98

The *Monitor* further observes that “the rates of last year were but 12.72 per cent. lower than the highest, and only 1.03 per cent. below the average for a decade, which witnessed a spurt in rates caused by the Chicago and Boston fires.” Since 1876 there has been an increase of fifty-five companies, or 35 per cent., and in the amount written, an increase of two and a half

billions, or 65 per cent. We have taken these figures from the computations of the *Monitor*. The rates in the New York companies from 1860 to 1866 were as follows:

1860.....	.64
1861.....	.60
1862.....	.57
1863.....	.58
1864.....	.57
1865.....	.68
1866.....	.75

The rates for companies of other States doing business in New York were, for 1865, .91, and for 1866, .98; their rates for preceding years are not given.

Resolutions Adopted by the Board of Fire Underwriters of San Francisco, May 16th 1877.

At a meeting of the Board of Fire Underwriters of San Francisco, held May 16th 1877, the following preamble and resolutions were unanimously adopted.

WHEREAS, the Board of Fire Underwriters of San Francisco, now in the seventh year of its re-organization, is entering upon a season of great depression in California, made so by the absence of the usual winter rains, and depreciation of mining interests, which increases to a marked extent the moral hazard of underwriting, and also renders the liability of extensive conflagrations more imminent; and,

WHEREAS, the competition in the fire insurance business has been largely increased by the introduction of new companies from year to year, until they now number 86, against 38 in 1872; and

WHEREAS, uneasiness is manifested least the increased competition, in and out of the Board, shall unfavorably effect the receipts and profits of companies in the Board, it is proper, at this time, that the members of this Board should place their views of the situation upon record, therefore

Resolved, That rates should not be reduced, except in specific cases, and then only in consequence of improvements in the construction of buildings or their surroundings; and in general cases, only where improvements in fire departments or water supply shall render it advisable.

Resolved, That concessions in rates to meet non-board competition have only been temporarily effective, the demand therefor being increased by such concessions.

Resolved, That the absence of the conservative influence of a Board organization and Tariff of Rates, in view of the largely increased number of companies now doing business in this State, would cause the fire insurance business rapidly to degenerate into an indiscriminate scramble for premiums, without profit to companies or agents, or security to the policy-holders.

Resolved, That the statistics of fire insurance business in San Francisco, and in the State of California, as published by the insurance Commissioner, and the Fire Patrol Association, do not show that the Board companies are prejudiced by their adhesion to a fixed tariff, and in view of these facts, it is further

Resolved, That a strict observance of the Board rules and rates is demanded in the best interests of agents and companies represented therein

GEO. C. BOARDMAN, Agent for *Ætna* Insurance Co.; WM. LANE BOOKER, Agent for Northern Assurance Co.; BALFOUR, GUTHRIE & Co., Agents for Guardian Assurance Co.; CROSS & Co., Agents for London Assurance Corporation and Western Assurance Co.; GEO. D. DORNIN, Agent for Hoffman Fire Insurance Co. and Fairfield Fire Insurance Co.; FALKNER, BELL & Co., Agents for Imperial and Queen Insurance Cos.; FARNSWORTH & CLARK, Agents for German-American Insurance Co., Citizens Insurance Co., Faneuil Hall Insurance Co. and Lancashire Insurance Co.; A. P. FLINT, Agent for Hartford Fire Insurance Co. and Rhode Island Insurance Association; A. B. FORBES, Agent for Continental Insurance Co.; FIREMAN'S FUND INSURANCE Co., by D. J. Staples, *President*, Geo. D. Dornin, *Secretary*; T. C. GRANT, Agent for the North British & Mercantile Insurance Co.; JOHN RAE HAMILTON, Agent for Commercial Union Assurance Co. and Merchants' Insurance Co.; HART & BLAIR, Agents for Scottish Commercial Insurance Co.; OLIVER HAWES, Agent for

Connecticut Insurance Co.; JONATHAN HUNT & SON, Agents for American Insurance Co., Insurance Co. of North America, Pennsylvania Insurance Co., London and Lancashire Insurance Co. and Royal Insurance Co.; R. B. IRWIN & Co., Agents for St. Louis Insurance Co. and British America Assurance Society; W. B. JOHNSTON, Resident Secretary for Liverpool & London & Globe Insurance Co.; A. E. MAGILL, Agent for Phoenix Insurance Co. of Hartford and Home Insurance Co. of New York; MORRIS, SPEYER & Co., Agents for Hamburg-Bremen Insurance Co.; W. J. STODDART, Agent for Underwriters' Agency, Manhattan Insurance Co., Phenix Insurance Co. and Home Insurance Co. of Newark; UNION INSURANCE Co., by Gustave Touchard, *President*, CHARLES D. HAVEN, *Secretary*.

Resolutions of the National Board of Fire Underwriters.

The present status of the National Board of Fire Underwriters may be fully understood by a perusal of the following resolutions adopted at the late annual meeting held in New York:

WHEREAS, The efforts of this board for the past five years in favor of adequate and uniform rates of premium and conservative principles of underwriting have steadily met with an unfair and ungenerous opposition from companies outside of this organization, which all the efforts of this board in the way of conciliation, or through a reduction of rates, have failed to conciliate or overcome;

WHEREAS, Further reductions in our tariffs, as a whole, even if permissible, would still fail to induce such companies to unite with us in our endeavors to maintain a uniform tariff upon any basis of uniformity, however low that basis was fixed;

WHEREAS, Such opposition has hitherto been enabled to maintain a position of apparent success by a selection of risks below the price fixed as adequate by the experience and labors of this board, at the great ex-

pense of our members, not shared by non-board companies, which expense the members of this board are unwilling longer to bear for the benefit largely of those who persistently endeavor to thwart all our efforts in behalf of uniform rates; and

WHEREAS, The opposition to such efforts has been strengthened by the accession of a number of companies of more or less respectability and strength, which have, to within a recent date, acted partly or wholly with us, which accession, taken in connection with the present depressed condition of the business affairs of the country, adds largely to the disadvantages hitherto borne by the companies of this board, in competing for the desirable business seeking protection; and

WHEREAS, Nearly all the risks in the country have been from time to time rated under the direction of this board, or through the instrumentality of local boards, a large number of which have given to this board cordial and efficient support, so that in fact little remains to be done except to maintain such rates, with only such reduction as may properly be made by such local boards for improvements and other meritorious reasons; and

WHEREAS, The time has come when the local agents, from the experience of the past five years, and in view of present tariffs ready to their hands, should be, and undoubtedly are to a large extent, fully informed of, and in sympathy with the principles of this board, and necessity of rates being adjusted with due regard to hazard and liability;

Resolved, That all questions regarding rates be devolved upon local boards where such exist, subject only to such instructions as the companies belonging to this board may give to their respective agents, as to the proper rates to be maintained or fixed by such board, and as to the action of such agents as members of such local boards, in fixing and maintaining such a tariff of rates as shall be just and uniformly enforced;

Resolved, That all risks not located within the field covered by a local board, or now or hereafter rated in the tariff of this board,

be declared free, and the rates therein open to the individual judgment and determination of the members of this board ;

Resolved, That the executive committee be instructed to keep the expenses of the National Board at as low an amount as possible.

Confusion of Interests in Policy Assigned to Mortgagee.

An important decision has been rendered in Canada in the case of *Hazzard vs. The Canadian Agricultural Insurance Co.*, which probably may apply to many policies now in force in this country. We do not know, however, that the rulings of our courts would admit the same principles. The case is as follows: Hazzard took a fire policy for \$800, viz, \$100 on barn and stable and \$700 on chattels stored, or that might be stored therein. Subsequently, and while the policy was running, Hazzard mortgaged his land, including said barn and stable, to the London and Canadian Loan and Agency Co., and assigned, as additional security, the policy above mentioned. On the occurrence of a fire which destroyed the whole amount at risk, the mortgagee applied to the insurance company for payment, which was refused, except to the extent of \$100, the amount covering the barn and stable which were included in the mortgage of the land. The remaining \$700 was demurred to on the ground that the mortgagee had no interest in the movables which were represented by that amount. So far, so good; but now comes in the joke. The mortgagee, unable to recover the \$700, re-transfers the policy to Hazzard, the mortgagor, who, on being refused payment of the \$700 by the insurance company, brings an action against them for this amount. The defense set up, among other points, which failed, was that Hazzard had no interest in the policy, as he had assigned it to the Loan Company, who had previously been told, as has been before noted, that they had not acquired any interest from the mortgagor. Although there had been an assent by the insurance com-

pany to the transfer of the policy from Hazzard to the Loan Company, the court decided against his claim on their view of the law. Equally with our contemporary of the *Monetary Times*, who reports this decision, we regret that it has been made merely on the technical point—the equities being altogether with the plaintiff in the action. An interest must have been created somewhere, and as the insurance company assented to its assignment, and as the premiums were fully paid to maintain it, it did not cease to exist. But by the sea-saw game of the insurance company, it was dissipated into thin air. As we said before, we do not know whether a similar ruling would be made in our courts, but we advise mortgagors and mortgagees who may be interested in policies under the same category as Hazzard's, to consider the matter, and not to confuse their interests in the manner herein described.

W. A. Walker's Libel Suit against the "Coast Review."

The life of an editor is not always "as merry as a marriage bell." About the middle of last month we received two invitations, but of very different characters. The first was to attend the wedding of one of our insurance friends, and the other was to appear at the Police Court on a charge of libel. The latter was presented by a grey-coated myrmidon of the law, who, as an indemnity for the probable loss of our personal companionship, demanded a bail bond of \$1,000. This being promptly furnished, we were left to the cogitations of our conscience until the morning of the 26th of May, when, in company with our attorney, Mr. E. W. McGraw, we put in an appearance at the levee of Judge Louderback.

The readers of the *COAST REVIEW* will probably remember that in the April number we republished from the *San Francisco Chronicle* a letter from S. J. Medill, editor of the *Chicago Tribune*, who therein asserted, upon information, that one W. A. Walker was representing to the credulous public of San Francisco that he, said Walker, was

the managing editor of the *Tribune*. Mr. Medill also denied the truth of Walker's representation, and further affirmed that he, Walker, was not, and never was, connected with the *Tribune* in any capacity whatever. Upon this we made the following comment, which is the libel complained of by Walker, and on which he procured our arrest in the manner described :

"The strong presumption is that this Walker is one of those fellows that 'no fellow can find out' just what he does represent, and our only object in publishing the above card is to call the attention of our underwriters to this Mr. Walker, as we learn from a private source that he has had considerable of a certain kind of experience in the insurance business East, and will most likely look out for a berth in that line here, and our advice would be to give him a wide one."

We now present a report of the trial as it appeared in the *Alta* of the 27th of May. "Mr. Walker testified that he had lately been a writer for insurance journals East; that he had written articles that were not published; that as to one article which did not see the light, he had heard that a certain insurance company had paid a considerable sum of money to suppress it. He testified that he wrote a certain article in the *Herald* of Chicago. The article was introduced in evidence by the defendant to show the nature of Mr. Walker's experience. It was a most abusive attack on a gentleman connected with an Eastern insurance company."

"Mr. Walker testified that the editors of the leading insurance journals East had published a card denouncing that article and that style of journalism, and that the proprietor of the *Herald* was defending a libel suit growing out of it. Witness said he was in the habit of writing anything he was dictacted to write and paid for writing, whether they were attacks on men or companies. Did not consider himself responsible for such articles."

"The defendant testified that prior to the publication of the alleged libelling article, Walker called at the office of the COAST

REVIEW, and related some of his experiences in writing for insurance journals East; that once he wrote an article that cost an insurance company \$2,500 to suppress; that he thought Edwards was a darned fool to try to run an insurance journal legitimately; that there was more money in the other way."

"An agent for a circus testified to Mr. Walker's good character, and Mr. Higgins, of the *Call*, testified that it was good seven years ago when he was in Chicago."

"Judge Louderback dismissed the case."

"The Judge," says the *Call*, "took the view that no libel could be committed against one whose ideas of journalistic ethics were so debased."

We are inclined to think that, on the whole, Mr. Walker has not made much by his motion, but we regret that we ever soiled our paper with the name of such a snipe. It has been a matter to us of time, trouble, and expense. The game is too small to pay us for the powder and shot that have been used in killing it.

In explanation of that part of Walker's testimony relating to black-mail practices of insurance journals East, and the comments of the press thereon, we have to say that Walker testified that he had been connected with the *Chronicle*, of New York, the *Index* of Boston, and the *Herald* (Yeager's) of Chicago, and that the black-mail articles written by him were for the two last-named papers. He stated further, that the articles mentioned in his previous testimony, which cost a company \$2,500 to suppress, was written by him for the *Index* of Boston.

Cheap-John Insurance Brokers.

Some country insurance agents have probably received a printed circular similar to that which now lies before us. It is signed by individuals whose names we will not advertise by publishing, and it professes — well, it professes a great deal more than in the nature of things it is able to perform. The "promoters" of the plan which the circular is designed to elucidate would

be no promoters at all if they did "know all the points," and "understand the insurance business" to a degree that can only be attained by superlative sagacity. But this is not all. By a period of long probation, or by the possession of some magical "open sesame," or other cabalistic password, they can penetrate into those inner and secret circles of the insurance offices which are strictly closed against the outside world. They have "superior facilities," and can place "all the insurance in your town and at lower rates than any agent in your vicinity." They know "what companies are to be trusted," and it is not saying much for their fidelity that, with this knowledge in their possession, they should suggest to their customers the propriety of placing business with such companies as write at $\frac{1}{4}$ to $\frac{3}{4}$ less than the established rates. However, to come to the point. The aforesaid promoters, if they will allow us again to call them so, are willing to place their experience of the past and their clairvoyant knowledge of the future at the service of those country agents who may be in search of cheap and very cheap insurance, and to induce the acceptance of such services, both natural and miraculous, they offer a commission of 10 per cent.

Except that one of the parties signing the circular was requested by a reputable insurance company in this city not to bring in any more business, we know nothing of them, and the responsibility referred to in their card may be unexceptionable; but we advise our country friends not to entertain their proposition. Our experience of the class from which such circulars emanate is not favorable. They are generally impecunious, but that is nothing; they play into the hands of impecunious companies, at the expense of their clients. They are the buzzards of the insurance system, and are always to be found at a period of demoralization, present or anticipated. Like the obscene birds of prey, they hover over the field of battle, and add to the horrors of the carnage.

Any agent, even a country agent for whose rural verdancy the circular is special-

ly designed, can easily perceive that nothing is promised by that document which cannot be performed by himself. If he wishes to place the business entrusted to him in third or fourth-class companies, he can do so without assistance, and he can obtain the extra 5 per cent., or perhaps more, which the writers of the circular design to reserve for their interference. We think that those gentlemen cannot "come over" the country agents in the manner proposed. These may not know much, as the circular insinuates and expresses, but they know enough to understand that such cheapness as is offered to them is very like lying. It is strength in the beginning, perhaps, but it is certainly weakness in the end. It is to the interest of every agent, who desires a just and profitable business for the company he represents, and for the policy-holders who patronize him, to discourage such solicitations as are presented in the circular referred to.

National Board of Fire Underwriters.

We are indebted to the *Chronicle* of New York for a report of the eleventh annual meeting of this association. The president's address, which our contemporary is pleased to term an excellent one, is about as good as might be expected under the circumstances, and we will not carp at the correctness of the *Chronicle's* eulogy. The tone of the speech, however, is eminently lugubrious, and seems to presage the mournful destiny at which the board has arrived. Why the special agents and managers of companies were excluded from the deliberations of the association is a matter of mystery not at all elucidated by the *Chronicle's* insinuation that the board was about to die, and wished to do so, if not in peace, at least in privacy. We sincerely hope that its dissolution is not yet, and that if it has been "quietly in-urned," as the *Chronicle* would make it appear, the tomb may "open its ponderous and marble jaws to cast it up again." We have always been an advocate for the existence of the board, and for its perpetuity.

We believe that it has formed a breakwater against the tide of reckless competition, which is wasting the capital of the insurance business, and washing away its foundations. Naturally, it has been obstructed, and its progress impeded by those heterogeneous materials which weaken the efficiency of all similar organizations. This result, as the president properly says, is "the result of history." Young companies imbued with the spirit of enterprise, grow restless under a system of restriction which seems to fetter their energies, and break away from the wholesome rules which have been designed more for their protection than for the security of institutions of older date. These companies, to say nothing of the protective margin that comes from their accumulations, have the results of a long career to guide them in their operations, while younger institutions must supply these conditions by the observation of general experience, which is only possible by harmonious organization. As far as our judgment extends, the withdrawal of certain companies from membership in the National Board has not been a financial success. The report of the New England Provisional Committee appointed by that board would lead us to believe that the smaller companies have not suffered any loss of business in consequence of the restrictions imposed by the organization. The weak point of the National Board is in their want of the proper statistical information on which might be predicated the contingent liabilities of the companies.

The president commences his address by lamenting this deficiency, which, of course, renders nugatory all attempts to fix the reserve valuations on a scientific basis. If only as the nucleus of a statistical bureau, there would be a most efficient reason for the continuance of the board's existence. Hitherto, its efforts to obtain accurate information in regard to the causes and periodical recurrences of fires in all the settled parts of the United States have been defeated by the absence of local records. Such records should be furnished by municipal, and perhaps by national, legislation. It is surely the part of public policy to assist in the prevention

of that waste of public wealth which comes from conflagrations. The National Board of Underwriters would be eminently useful in giving technical direction to these public researches, and in codifying their results. Statistics of this character are the one thing needful for fixing the rates of fire insurance on a basis which every company could safely stand on; and without them the business can never pass from the stage of experiment and empiricism.

Notwithstanding the stagnation of trade and the shrinkage in commercial values, the capital employed for the last year, according to the report of the board, shows an increase from \$55,383,020 to \$56,623,440, and upon this latter sum there has been paid a dividend of 13.67 per cent. On the premiums, however, there has been a decline of \$4,634,981.28, the total received for 1876 being \$45,173,275.70, against \$49,808,256.98 in the previous year. The losses paid in 1876 were \$23,118,183.20, against \$24,076,604.68 in 1875, a decline in losses of \$958,421.48. The increase in the loss ratio has been from 48.33 to 51.17. "As a matter of fact," says the president, "it shows that the rate is decreasing and the loss increasing." These figures are sufficiently significant to denote the course which fire insurance is taking. It is rather depressing to find, from an analysis made in 1874, that during twenty years prior to the commencement of that year thirty-eight of the largest and most successful companies had paid out in losses and expenses \$283,908,653.73, against an earning of \$271,293,368.59, thus making a net loss of \$12,615,285.14. It may reasonably be conceived, therefore, that in order to keep the business of insurance in any position not hazardous to existence, some more determinate system of valuations is urgently needed. An operation so vast and intricate can only be regulated by that multitude of counsel in which lies safety. On these grounds, we hope that a more harmonious feeling may prevail among the companies in interest, and that the labors and existence of the National Board of Underwriters may not be permitted to pass into oblivion.

W. J. Stoddart's Insurance Agency.

The companies comprised within this agency have all obtained a favorable place in public confidence, and we feel much pleasure in calling attention to their statistics as reported by the New York department.

THE NEW YORK UNDERWRITERS' AGENCY is a consolidation composed of the Germania and the Hanover Fire Insurance Companies. The former commenced business in 1859, and the latter in 1852. The combined paid-up capital on the 1st of January, 1877, was \$1,000,000, and their assets amounted \$3,360,731.47. For the year 1876, the premiums written, were \$1,717,825.71, and the losses incurred, \$709,045.48. Their joint surplus over all liabilities, including capital and reserve, was \$1,204,193.34

THE PHENIX INSURANCE CO. OF BROOKLYN,
N. Y.

was organized in 1853, and its statement at the close of last year gives ample evidence of its prosperity and solidity. Then, its paid-up capital was \$1,000,000, and its assets, \$2,775,902.92. The premiums written for the year, amounted to \$1,299,195.05 on fire risks, and \$350,524.27 on marine and inland; and the losses incurred were \$597,696.75. After adding the paid-up capital and the reserve fund to the liability account, there is a net surplus of \$869,346.22

THE MANHATTAN FIRE INSURANCE COMPANY OF N. Y.

is comparatively of recent date, having been organized in 1872; but it has all the elements of progress and stability. Its paid-up capital is \$250,000, and its assets at the end of last year were \$837,176.50. The premiums on fire risks written in that year were \$597,196.81, and those on marine risks, \$58,637.69. The total losses in both departments were \$403,338.72. The surplus above all liabilities, including capital and reserve, was \$293,650.99.

THE HOME INSURANCE COMPANY OF NEWARK, N. J.,

dates from 1869. It has \$200,000 paid-up capital, and \$255,836.08 assets. Its premiums written in 1876 were \$74,435.80 on

fire risks, and \$11,474.31 on marine and inland risks. Total losses, \$32,965.34. Surplus, after charging capital and reserve, \$14,271.94.

A further detail of the affairs of the companies represented at Mr. Stoddart's agency will be found in another part of this number. This agency, which has been established many years, represents total assets amounting to \$7,260,128.74. It has been efficiently managed by Mr. Stoddart, both for the interests of the companies represented and for those of his patrons.

The Berlin-Cologne and the California Commissioner.

Generally it is our pleasant duty to receive the statements of foreign companies with favorable commendation. We regret, however, that we cannot follow this course in regard to our friends of the Berlin-Cologne. The statement of that company is made up to the end of 1876, and the total of the balance-sheet is \$693,491.19. The liabilities include \$300,000 paid-up capital, and \$19,366.96 surplus. In the assets there is an item of \$317,111.07 for "premiums in due course of collection." There are many items in the account which demand explanation, but we will deal in the first instance with this. The premiums written in 1876 were \$561,158.14, and of this sum, as shown above, about 60 per cent. remained uncollected. Such a disproportion is incredible, and there is no parallel to it in the affairs of other companies. In 1876 the Liverpool and London and Globe wrote in fire premiums \$4,813,255.45, and the premiums uncollected were \$799,993.54. The Queen, in the same relation, shows \$2,685,000 to \$52,000, and the Imperial \$3,050,745 to \$674,387.25. The proportion of premiums uncollected to premiums earned is in regard to these three companies 14 per cent. on the average. If we assume the same ratio for the Berlin-Cologne, their assets must submit to a discount of about \$240,000.

It is further shown that their losses in 1876 were \$541,612.72 (only about \$19,000 less than the premiums earned), and that of

these losses they had paid less than \$271,-840.12, as this item in the expenditure account includes also the losses of previous years. To make confusion worse founded, they have set down in their liabilities as losses unpaid only \$70,564.26. Of course they must have been liable, either directly or contingently, for something more than the difference between \$541,612.72 and \$271,840.12, viz: \$269,772.60, but we will stand on the last-named sum. Deducting from that the \$70,564.26, as charged above, there remains \$199,208.34 to be added to their liabilities. Again, the risks in force at the end of 1876 represented premiums to the amount of \$637,601.45, the reserve on which should be \$318,800.73, but it is set down in the liabilities for \$285,082.83, a difference of \$33,717.90, to be also added to the liability account.

On this analysis, the account would stand as follows (the cents discarded):

Liabilities per account, including	
paid-up capital.....	\$693,494
Deduct surplus.....	19,366
	\$674,125
Add short charge on losses.....	199,208
“ “ “ reserve.....	33,717
Total liabilities, including \$300,-	
000 paid-up capital.....	\$907,050
Assets per account.....	\$693,491
Deduct over credit for premiums	
uncollected.....	240,000
	453,491
Deficiency.....	\$453,559

It will be seen by this exhibit that, to say the least of it, our Cologne friends are not as odoriferous as the perfume of the same name. We are extremely sorry to place any obstacles in the way of the gentlemen who manage the San Francisco agency, but our duty compels us to say that under their present showing they are legally disqualified from doing business in this State. Unless the statement was made up in Germany as a hoax to test the expertness of the California Commissioner, we can hardly conceive that such a document should have been permitted to see the light. The agency of the Berlin-Cologne is still issuing policies in this State. If the Commissioner has not seen their statement, he has omitted an im-

portant part of his duty; if he *has* seen it, he has been guilty of a gross breach of trust in not ordering the suspension of the doubtful company.

Answer to Quiz's Queries.

[Quiz's Queries herein referred to will be found on page 86, May issue COAST REVIEW. *Ed.*]

SAN FRANCISCO, May 20, 1877.

Editor Coast Review,—To a number of queries propounded by a quizzing correspondent in your May number, permit the following encroachment on your valuable space, in reply:

To queries first and second: The title of the case "Callahan & Co. vs. Several Ins. Cos." was exactly the case as presented to the arbitrators. Settlement had not been reached as between the insured and their underwriters, owing to the contrariety of judgment existing between the companies. The first party (Callahan & Co.) was duly represented. As upon this evidence the main points at issue were decided, we fail to see wherein the interests of claimants were exceptionally jeopardized in this instance. Where a particular interpretation is to be established, one side of the difference must submit.

To query third: The expunging of the word "unmanufactured" was metaphorical. As a similitude had already been agreed upon, it was thought the metaphor might be used without shocking the extreme legal sensibilities of the critics or parties in interest.

To query fourth: About the only authority employed by the arbiters in synonymizing "unmanufactured and in process of manufacture," was common-sense avoidance of a construction calculated to work injurious effects; a desire to check the use of redundant, meaningless phrases. The conjunction "and" joins the two terms, instead of separating them. But admitting Quiz's point correct, what other stage is there in the manufacture of any article, except what is provided for in the decision? viz: materials—in process—manufactured. Quiz's verbosity rather switches him off the track into a syntactic criticism.

To query fifth: Yea, dear Quiz, the contract is to be defended as well as supported, and the construction of same, moreover, should be liberal; but it is drawing on the imagination to grant that the contract has in this instance been defeated. The several contracts concurred, except in case of raw materials, which the French company claimed were not covered by the word "unmanufactured." If the other companies *did* cover materials, labels, cans, etc., and were willing to pay for same, the contract was neither destroyed or defeated.

To query sixth: If the answer to query fifth does not sufficiently answer this also, we add that there was no necessity in the case under discussion for a "most liberal" construction against the parties "framing the contract." No latent ambiguity existed; simply surplusage of words; having no lexical definition whatever, or if meaning anything, synonymous with other terms following.

To query seventh: If a written contract does not faithfully represent the intention of either party thereto, through *accident, mistake, or fraud*, then only is the matter of intention a subject of inquiry, and which is always settled if an order or application explains the variance, and is considered so far only as the order or application may differ from the policy itself. This very point of the intention of parties to a written contract is a very delicate one, and in jurisprudence is discouraged, as defeating justice in nine times out of ten. The nicety of the case is lost in the arbitrament, because the application conformed literally with the language of the policy. Quiz evidently got the redundancy of language mixed up with the intention of the parties; a conscientious, reasonable and just interpretation was of greater necessity than a speculation on intention.

To query eighth: If we consider customs or usages, it will be found that this word unmanufactured was originally used for "in process." A few years ago we remember reading policies worded generally "on their stock of —, manufactured, unmanufactured, and materials used in the manufacture

of same." Such contracts were construed to mean stock finished, unfinished, and materials entering into the manufacture. Moreover, one of the opposite sides to this very question was recently a party to a non-concurrent adjustment on a stock of furniture, manufactured, unmanufactured, and materials used in the manufacture of same. If the word in question meant materials, why the necessity for this repetition? Usages become laws by their reasonableness, convenience and adaptation, not only to increase facilities in trade, but to promote just dealings between parties. The arbiters believe that the word "unmanufactured" is unreasonable, inconvenient, and ill-adapted to increase the facilities of trade, or to promote just dealing between parties. When a phrase is found cumbersome, or likely to create dissension, the cheapest riddance is to squelch it.

To query ninth: The arbiters believe that the French company could have evaded the loss entirely on raw materials, as in the case presented in this query. But these "ifs" are outside the question. Quiz's aunt "if," of the masculine gender, would have been his uncle. Contributing insurance with the "materials" specially mentioned, implies that the assured did not want his subsequent insurance to so apply; and *this case* is the one passed upon by the arbiters.

To query tenth: Why the other companies saw fit to pay the loss on labels is a conundrum we give up; it was their own volition, and none of our business as arbiters.

To query eleventh: Quiz is referred to Mr. Griswold for the rule adopted, and handed over to the arbiters by the interested parties. The suppositions drawn by our querist would not alter the working of the rule to admit general policies to pay on items not covered by the more specific first, and the residue subject to general contribution afterwards.

In concluding this matter, the arbiters firmly believe in the decision rendered as consistent and proper; and the word unmanufactured, whether deemed definable or not, must on sober thought be reconciled with the conclusion as rendered. Manu-

factured is made or fabricated from raw materials, by hand, art or machinery, and worked into forms convenient for use. Taken in connection with the negative prefix "un," the indication, according to Webster, is the absence of the *condition* or *state* expressed by the participle: in other words, the made article is unfinished; the step has been taken towards changing the raw material, and the manufacture begun, but not completed. It is another phrase for "in process of manufacture," if definable at all.

The French policy was specific: *not on stock simply*, but the *kind* of stock clearly set forth, and the decisions recently appearing in the *Monitor* result from a one-sided presentation of the case. Moreover, because some prejudiced pop-in-jay Court decides that a buggy insured in the barn is covered in the wagon factory, it is hardly possible the profession will consider this settled and decisive. Indeed, on the simplest points of insurance law, the conflicting decisions are about as diversified as Quiz's queries and his fence-straddling proclivities, with impulses on one side, and convictions on the other.

ARBITERS.

Board of Fire Underwriters of San Francisco.

The Board of Fire Underwriters of San Francisco, while not formally denying allegiance to the National Board, has always maintained the functions of a paramount organization. This condition has been caused principally by the width of geographical separation, but no small part of it is due to the *personnel* of our prominent insurance men, whose attainments would naturally lead them to a position of independent control. The San Francisco Board is in the seventh year of its reorganization, but its original record dates from 1859, when a Board was established, with E. R. Falkner, of Falkner, Bell & Co., as president, and A. P. Flint as secretary. This Board contained also many constituents of the present organization. Its proceedings (speaking of both organizations as a unit) have been checkered by the various fortunes which

form the history of all similar institutions; but, on the whole, its influence has been beneficially effective, and has invested the general business of underwriting with a character of security. The Board has been useful not only in establishing an equitable standard of rates, but also in giving direction to such measures of improvement and reform as diminish the risks of fire loss. The recent defections from its membership are not new to its experience; many times, under the pressure of excessive competition, the tariff rates have been suspended, and as many times, after intervals of loss and demoralization, their resumption has been generally recognized as essential to safety. With the increase of the number of companies, whose interests are to be reconciled, there has been naturally an increase in the difficulties of harmonious co-operation. In 1872 there were but thirty-eight fire companies in San Francisco, against eighty-one at the present time; and latterly, the business of underwriting has been somewhat diminished by the depression of all productive and industrial interests. It is to be hoped, however, that the conflict between the Board and the Non-Board companies, which appears imminent, will not be carried to the length of indiscriminate slaughter, and that pacification will come at no distant period.

As the Non-Boards constitute so large a portion of all the companies (a majority, in fact, upon a mere numerical computation—43 to 38), it might seem presumptuous to condemn their course of action upon general principles, and it may be supposed that a knowledge of their business in general, and their interests in particular, is not wanting to their councils; but by the logic of facts it does not appear that they have been materially benefitted by a refusal to combine with their conservative competitors. To those agents of companies who, while still maintaining their adhesion to the Board, feel disheartened at the turn that business is taking, it can be shown that even under the conditions of safe and profitable rates the Board companies are holding their own in volume of premiums. The falling off of

the Board companies' business in the first quarter of the present year is not at all alarming, and relatively to the decline of business in general throughout the State, it may be called insignificant. Besides, a large portion of the deficiency in premiums must be attributed to the reduction of rates on dwelling-houses, which has been conceded in many parts of the city to the extent of 20 per cent. According to the report of the Underwriters' Fire Patrol for the first quarters of 1876 and 1877, the business of the Board and the Non-Board companies was relatively as follows :

Board companies, first quarter, 1876.....	\$242,335
The same companies, first quarter, 1877.....	222,259
Decline.....	\$20,076—8½ per cent.
Non-Board Companies, first quarter, 1876.....	\$138,500
The same companies, first quarter, 1877.....	131,144
Decline.....	\$ 7,356—5½ per cent.

A comparative analysis of rates is necessary in order to test the relative value of profits, but there is sufficient to show that the Board companies have lost nothing by their conservative policy, and very little even from those causes which have lessened the volume of business in general. We have every faith in the stability of the Board under present circumstances, and we hope that the efficiency of its operations will not be impaired by any want of courage or firmness on the part of agents who are disposed to maintain the present tariff. Those who remember the consequences of the tariff suspension of 1869 may well be deterred from assisting in the precipitation of a similar event, which would cripple the resources of the best companies, destroy the others, and take from agents the means of livelihood. What is known as a free fight for rates means frauds, incendiarisms, decreasing receipts with increasing losses, and the depletion of the companies' treasures by means both fair and foul. That such a state of affairs is prevented only by the conservative influence of the Board may be learnt from the experience before referred to. It may reasonably be supposed that

the companies who have withdrawn from the Board have taken nothing by their movement. Whatever temporary advantage may have accrued to them by freedom from restrictive rates is a small indemnity against the hazards of that demoralization which their policy has foreshadowed. It is to be hoped that the better class of the seceders will return to their allegiance, and support the Board in its conservative policy. We believe that this organization has within itself the elements of stability; but what if it were to decide against the continuance of a course of action which keeps in their places a class of competitors who will not submit to its rules? We have had enough of the waste and anarchy that would follow its suspension. We have no desire to hear again the "cry of havoc and the slipping of the dogs of war."

We refer our readers to the resolutions of the Board in another part of this issue.

"Manufactured, Unmanufactured, and in Process."

ANSWER TO "IN PROCESS."

My Dear Editor—We had fondly hoped that the plain enunciation of the principles of law and equity, as applied to the adjustment of D. Callaghan & Co.'s loss in this city, given in the April number of the *Monitor*, would have the effect of setting the matter at rest, even with the most doubting; but from an article in the last number of the *REVIEW*, we fear there is at least one insurance man on the coast who is yet "in process."

We really feel sorry for the "*Monitor* man" that he should be so "squelched" by the trenchant (?) production of this embryotic adjuster. How sadly reflective will be the countenance of the "patriarch," when he apprehends that his researches in the domain of lexicology have proved such a lamentable failure, as to produce only "*sheer nonsense*."

Now, for the benefit of this man of deep research (?), who has taken upon himself to assert that the word "unmanufactured" is "*an abortion and an anomaly, and as such*

has been *expunged* by Webster, Worcester, and other lexicographers," we would refer him to the place where ordinary men would naturally look for such a word, viz: the definition given to the prefix "*un*," and the explanation of its *uses* by either or both of the above-named lexicographers; and then to the word "manufactured," and by the time he has made the use of the said prefix, which is *expressly authorized* and provided for, we surely believe he will apprehend that he was at least premature in saying the word "unmanufactured" has been expunged from the dictionaries. Would he persist in asserting that such words as "unoccupied," "unexplained," "unselfish," "unserviceable," "unbroken" (which he himself has used), are "*abortions and anomalies*?" Yet all these are in the same category with "unmanufactured," and are *not defined* in the body of the work. So much for the establishment of our first point, viz: that there *is* such a word as "unmanufactured," and that its use is *sanctioned* by the lexicographers.

This being proven, we proceed to show its application to the question in dispute. Our learned friend states that it is a common error to suppose that the two phrases, "raw, wrought, and in process," and "manufactured, unmanufactured, and in process," are identical. We submit to any candid mind, that the gentleman has proved by his own argument the existence of that identity which he denies. Let us first note his admission that the phrase "raw, wrought, and in process," is properly construed as covering *materials, i. e., "everything necessary and useful, in the ordinary and successful prosecution of the business,"* (which is the language of the Court in the case quoted from 1 Phillips on Ins., 250, sec. 489). He goes even further, and says it is the "*most brief and complete*" phrase in use in this connection. A little further on, speaking of the use of the word "unmanufactured," he states that it is "*senseless phraseology, meaning nothing whatever,*" so far as *materials* are concerned; that an article composed of different ingredients *cannot be called by its name until completed*. Now, bearing these closely in mind, let us proceed to a com-

parison of the remarks in favor of the first-named phrase, with the argument against the latter. If it be true that an article as named above cannot be designated as any specific commodity until completed, in the name of ordinary common-sense, *why* is it such chaste and pure Anglo-Saxon, such "*brief and complete*" expression, to say "stock of *raw yeast powders*" (raw meaning materials) or "stock of *raw cream tartar*," while at the same time it is such "*senseless phraseology*," such meaningless repetition, to say "stock of *unmanufactured yeast powders*" or "cream tartar?" Out of his own mouth do we condemn his own false reasoning; for, having stated already that "stock of raw yeast powder or cream tartar" *covers materials*, he directly *denies* that these materials can be denominated yeast powders, cream tartar, or anything else, except the specific name of each ingredient. Then, discarding his argument against the application of the phrase "manufactured, unmanufactured, and in process," as contradictory, and of no force, and accepting the construction of "raw, wrought, and in process" as correct, he is compelled, *a fortiori*, to acknowledge the complete identity of the two phrases, and to accept the conclusion that "unbroken barrels of argols, sacks of flour, sheets of tin, boxes and labels," are "unmanufactured" or "raw" yeast powders, soda, saleratus, and cream tartar when in the hands of the manufacturer of these articles.

Our learned friend is again in error when he states that the additional words, "and on materials for manufacturing the same," are always inserted by underwriters accustomed to issuing policies on manufactories when materials are intended to be covered. We are assured that, if all the policies on manufactories in this city were taken up and examined, the above-named words would not be found in half of them; while almost without exception they are intended and understood by all parties to cover materials.

The argument as to the meaning of the word "unmanufactured," and the origin of its use by underwriters, is so flimsy and con-

tradictory, so far-fetched and unreasonable, that it is scarcely worth a passing notice. It is strange indeed that he should adduce proof to show that the word *has* any meaning, when he himself so stoutly asserts that *no such word exists*; and in the sentence just preceeding that, in which he endeavors to show us that it covers goods not completed, but awaiting further manipulation, he dogmatically asserts that the *same word* "has no actual meaning, is mere senseless phraseology," and does not cover anything. It is somewhat puzzling to answer such statements, the author not being at hand to inform us which shall stand, his assertions or his contradictions of them. Goods in the condition which he attempts to show as covered by the word "unmanufactured," are so clearly "in process," that we cannot believe that any sane underwriter would attempt to cover them by the term "unmanufactured," and restrict the application of "in process" to the very limited period during which the goods are actually in the hands of the operator, or passing through the machinery. We cannot understand how, in this connection, after the process has once commenced, it can properly be said to have terminated until the article is completed.

Above this war of words, and on a broader plane, there are principles of justice and equity pertaining to the law of contracts that bear directly upon this case, and are worthy of the highest consideration. The contract of insurance is one of *indemnity*; and any construction of it at variance with this central idea is regarded with ill-favor by the courts, as well as the public. Griswold's Text Book, sec. 198; 1 Phillips on Ins., sec. 124; *Dow vs. Hope Ins. Co.*, 1 Hall, 174.

If the theory advanced by our learned friend be correct, and all the policies on D. Callaghan & Co.'s manufactory had been drawn concurrent with that of the French Ins. Corporation, the assured would have been compelled to sustain the bulk of his own loss, thus curtailing in the same proportion the indemnity offered by a reasonable construction of the policies. Can the

idea be entertained for an instant that any court, in a civilized community, would sustain a construction so subversive of the very *object* for which the contract was made?

Again, the French Ins. Co. was the party that prepared this contract, and became liable under it, and therefore, according to a plain principle of law, it will be construed *strictly against it*, and *liberally*, in *favor of the assured*, or the party who accepted it. Griswold's Text Book, sec. 182; Sansum's Digest, 298. Another rule of construction is, that the contract *must be so interpreted as to give the most complete effect to the intention of the contracting parties*, or, in the language of one of our most learned jurists, "the true principle of sound ethics is, to give the contract the sense in which the person making the promise believed the other party accepted it." Sansum's Digest, 299, notes 17 and 18; 1 Phillips on Ins., sec. 124.

In the light of the facts connected with this case, would the representative of the French Insurance Corporation, who drew this policy, dare to affirm on oath, that he believed D. Callaghan & Co. accepted this contract with the full understanding, that although the term "unmanufactured" was used, it was nevertheless to be construed as "*senseless phraseology*," covering nothing whatever, thus leaving them with more than half their property entirely unprotected by insurance? Most assuredly he could not; for the fact that the assured were manufacturers was fully brought home, (a part of the policy covering machinery and tools,) and he could not believe any sane man would be so foolish as to accept a policy so worded, with the full knowledge that such interpretation would be put upon it. Such acceptance would be contrary to all reason, as well as the ordinary judgment in the conduct of business, which the law presumes all men to use. It must be admitted that the assured believed the policy they accepted covered the materials as well as the finished stock; and they would be further borne out in such belief by another rule of construction, viz: "the words of the policy are to be understood in their *general, ordinary and popular sense*,

unless a mercantile usage has affixed to them a different import." Griswold's Text Book, Sec. 199; 1 Phillips on Ins. 44, and 1 Parson's Marine Ins., 125, Sec. 9; 1 Parson's Marine Ins., 126, note 1. There being no mercantile usage to prove in this case, does our learned friend suppose any one will agree with him, that the "general, ordinary and popular" sense of the term "unmanufactured" is nonsense?

Even if we admit that the term is ambiguous (which we do not), the rule of construction is still against him; for, "where words admit of two senses, *that which gives effect to the design of the parties is preferred to that which destroys it*; and it is held where there is an expression in a policy capable of two equally reasonable interpretations, that one is to be adopted which is more favorable to the assured." Griswold's Text Book, Sec. 203.

Thus it will be seen that the strained and unnatural construction insisted upon by our learned friend, is not only repugnant to reason, but directly in opposition to every rule of interpretation, known to the law or the courts. What further ground remains to uphold this flimsy theory, so lately imported from the "*Lake City*;" this foolish and frivolous attempt to avoid a clearly defined liability, fairly understood by all parties?

We much regret, that any insurance company should take such a position, with so clear a case against it; while, at the same time, we most emphatically condemn it, as subversive of good faith, as well as every principle of law and equity, applicable to the case in point. We also trust, that the public in general, and manufacturers in particular (many of whom hold policies similar to that in dispute), will not consider their indemnity affected by the decision of the arbitrators in the case referred to in a former number of the REVIEW: for said decision is based upon the same reasoning which we have shown to be so absurd and contradictory; and could only be saved from absolute inconsistency by the arbitrators assuming to "*expunge*," or destroy, a part of the contract which they were only authorized to *construe*.

Yours truly, E. T. B.

SAN FRANCISCO, May 29th, 1877.

Pacific Insurance Agency.

This agency is under the efficient management of Messrs. Jonathan Hunt & Son, and represents first-class companies, both American and foreign. We subjoin an abstract of the statements of these companies, compiled from official records.

INSURANCE COMPANY OF NORTH AMERICA.

This company is located in Philadelphia, and the date of its organization carries us back to almost the earliest times of our national existence. It was organized in 1794, and is the oldest fire insurance company in the United States. Its paid-up capital is \$2,000,000, and its assets amount to \$6,520,241.32. The income in 1876 was \$3,450,918.94, and the expenditures \$2,945,592.59. The premiums for same year were, on fire risks, \$1,505,630.10, and on marine and inland risks, \$2,051,967.38. Total losses, \$2,263,771.81. The surplus beyond all liabilities, including capital and re-insurance fund, is \$2,284,729.88.

THE AMERICAN FIRE INSURANCE COMPANY is also located in Philadelphia, and is one of the old institutions of the present century. It was organized in 1810. Its paid-up capital is \$400,000, and its assets are \$1,280,976.17. The income of 1876 was \$442,096.05, and the expenditures \$386,899.10. The premiums written were \$424,110.74, and the losses incurred amounted to \$197,103.94. The net surplus over all liabilities, including capital and reserve, is \$371,060.35.

THE PENNSYLVANIA FIRE INSURANCE COMPANY.

This company belongs also to Philadelphia, and has had an experience of more than half a century. It was organized in 1825. Its paid-up capital is \$400,000. Assets, 1,671,899.05. Premiums written in 1876 were \$592,598.63; losses, \$290,246; net surplus, \$508,988.50.

THE ROYAL INSURANCE COMPANY

of Liverpool, England, has a paid-up capital of \$1,592,497.50. Its assets show \$19,471,271.36. But to the liability account is added \$10,862,500 for re-insurance and other liabilities pertaining to the life department.

The net surplus for the fire department, including capital and reserve, is \$4,417,849.22. The assets in the United States, consisting almost entirely of Government bonds, are \$2,552,304.48, and the liabilities, \$1,371,142.01. Total premiums written in 1876, \$4,902,784.48; losses, \$1,953,388.

LONDON AND LANCASHIRE FIRE INS. CO. has a paid-up capital of about \$500,000, and its assets at the end of 1876 were \$869,054. Premiums written for same year, \$1,267,163; total losses, \$805,038. Liabilities, exclusive of capital, on Dec. 31st, 1876, were \$499,789.

The companies represented by Messrs. Jonathan Hunt & Co. have always maintained a favorable place in public confidence. Their card will be found in another part of this issue.

Oakland's Facilities for the Prevention of Fires.

The City of Oakland has a favorable place in the estimation of underwriters. The fire ordinance, which is strictly enforced, establishes certain fire limits in which the erection of frame buildings is prohibited, and contains other stringent provisions for the prevention of fires. Among these are the clauses prohibiting the erection of stove-pipe chimneys, and requiring that all chimneys and flues shall be of brick or stone, and built to the satisfaction of the Fire Warden. The city is supplied with water from San Leandro and Temescal Creeks, and has three reservoirs, viz., one "receiving" and two "supply." The capacity of the supply reservoirs is respectively 5,000,000, 000 and 300,000,000 gallons. The receiving reservoir is within the city limits; one of the supply reservoirs is distant about 2½ miles from those limits, and the other about 9 miles. The pressure in the lowest part is 60 pounds to the square inch, and in the highest 40 pounds. The water supply in general is considered ample for fire purposes. The largest pipe of the water mains in the principal streets is 15 inches, and the smallest, 3 inches. There are 120 hydrants, placed apart at convenient distances. The

public cisterns, which are located near the business centre, and fed by the main, are five in number, of an average capacity of 100,000 gallons. The fire department, which is under the direction of Mr. F. O. Fuller, chief engineer, is composed of forty-four men, in an effective state of discipline. It is paid by the city. The machinery and gear belonging to the department consist of four steam fire engines and 4,500 feet of serviceable 2½-in. hose. There is also one hook and ladder company, which is well equipped. On the whole, it may be said that the facilities for preventing and extinguishing fires in Oakland are not surpassed by any other city on the coast.

CHIPS.

—May 15th, a fire at Turlock, Cal., destroyed a grain warehouse. Insurance loss: State Investment.....\$4,000

—A fire at Marysville, May 10th, burnt a barn and contents.

California Farmers.....\$450

—May 9th, two dwelling-houses at San José were destroyed by fire.

Liverpool and London and Globe.....\$500
Home, of New York.....300

—May 10th, at Folsom, Cal., several buildings were destroyed by fire. Insurance losses:

Fireman's Fund.....\$1,500
North British and Mercantile.....1,000
Liverpool and London and Globe.....2,800
New Orleans Insurance Ass.....1,500
Union of Texas.....1,500

Total.....\$8,300

—May 13th, a barn at Belmont was destroyed by fire.

Fireman's Fund.....\$400

—April 23d, Steamer Negromante ran on reef near Altata, Mexico. Total loss.

Swiss Lloyds.....\$7,000
Fireman's Fund.....5,000

—May 5th, at Sacramento, burning of a hay barn and contents.

Liverpool and London and Globe.....\$2,700

—May 25th, at Carson City, Nev., barn and contents, with dwelling adjoining, were completely destroyed by fire.

Liverpool and London and Globe.....\$1,500
Lycoming.....300

—May 5th, Sacramento, a barn and contents destroyed by fire.

California Farmers.....\$400

—May 14th, a fire destroyed the Salinas City Flouring Mill. The mill was owned by Travis & Fitton, and was valued at \$14,000. Insurance paid as follows :

Home Mutual.....\$3,944

Berlin-Cologne.....3,680

Total.....\$7,624

—On the 9th of May a fire destroyed a store and stock of general merchandise at Enterprise, Butte Co., belonging to Phillip Klos.

Insurance loss:

Commercial Union.....\$1,955

California Ins. Co.....1,955

Total.....\$3,910

—A small conflagration at Chico, Cal., May 21st, destroyed a block of frame buildings and their contents. Estimated loss

about \$10,000, with insurance loss as follows:

State Investment.....\$1,125

Commercial Union.....500

North British and Mercantile.....500

Home, N. Y.....500

Commercial, S. F.....282

Royal Canadian.....288

California.....200

Cal. Farmers.....200

Western, Toronto.....150

Total.....\$3,745

—May 13th, a "tramp" fire at Berkeley, Cal., destroyed a hay barn. Insurance loss:

New Zealand.....\$500

—On the 2d of May, a fire destroyed a dwelling at Sacramento.

Ins. Co. of North America.....\$105

American, Philadelphia.....105

—The latter part of last month a fire destroyed the smelting works of one Waterman at Stockton, Utah; also, considerable charcoal. Total loss, with the following insurances :

Scottish Commercial, on works.....\$2,500

French Corporation, " ".....2,500

Pennsylvania Insurance Co., " ".....2,500

Insurance Co. of N. A., " ".....2,500

Pennsylvania, on coal.....2,500

Ins. Co. of North America, " ".....3,500

It is also stated that there were \$5,000 other insurance in other companies not reporting to the San Francisco agency.

—May 26th, dwelling-house and contents were burnt near Portland, Oregon.

Liverpool and London and Globe.....\$300

State Investment.....250

—May 3d, at Virginia City, burning of dwelling house and contents.

Revere, Boston.....\$660

—May 26th, Nelson's Station, burning of dwelling and granary.

California Farmers.....\$1,050

—At Gilroy, on the 6th of May, a two-storey dwelling house, owned by Thomas Edwards, was destroyed by fire. Loss, \$2,500.

Liverpool & London & Globe.....\$1,400

—May 20th, Rio Vista, a dwelling was damaged by fire.

California Farmers.....\$100

—On the 18th of May, an incendiary fire destroyed a dwelling and contents, a barn and a dairy, belonging to Hugh Jones, near Gilroy, Cal. Two men were seen running from the barn when the fire was discovered. Total loss about \$6,000.

Atna.....\$4,500

—On the 10th of May there was a fire at Merced, destroying half a block; on the week following another fire at same place destroyed the remaining portion, including hotels, stores, saloons, blacksmith shop, etc. Losses (except two, in dispute) have been settled by the following companies :

Insurance Co. of North America.....\$1,250

American, of Philadelphia.....1,250

Pennsylvania.....1,250

London and Lancashire.....1,250

State Investment.....2,000

Manufacturers, of N. J.....2,800

Citizens', of St. Louis.....1,500

Faneuil Hall.....3,620

Transatlantic.....2,500

California.....1,500

Mississippi Valley.....2,900

Royal Canadian.....940

Fire Association, of Philadelphia.....50

Commercial Union.....940

Commercial Ins. Co., S. F.....50

Home Mutual.....400

Total.....\$24,200

The above includes all the insurance losses

on both fires.

—NEW CASTLE, March 10. Barkantine S. M. Stetson, when about 700 or 800 miles NE., sprung a leak, and was beached at Lord Howe's Island. Captain Curtis dis-

patched a boat and three seamen, who arrived at Sydney April 9th. Capt. C. was anxious that one of his officers should take command of the boat, but they all declined on account of the extreme hazard. Those men reached this port yesterday per City of Sydney.

Immediately upon arrival of the boat at Sydney a schooner was dispatched to Lord Howe's Island for the captain, his family, and the remainder of the crew, and a dispatch was received at Sydney just before sailing of the steamer, announcing that they had safely arrived at Broken Bay, but were unable to reach Sydney in time to connect with the steamer.

Union,	on hull.....	\$10,000
Fireman's Fund,	" "	9,500
California,	" "	8,000
Commercial,	" "	5,000
State Investment,	" "	5,000
New Zealand,	" "	2,500
British and Foreign,	on cargo	3,600
Union, on cargo.....		1,000
Union, on freight.....		5,750

—Bark Brontes, Capt. Saddler, left San Francisco April 25th for a fishing cruise to the Ochotsk Sea, put into Honolulu May 20th, leaky, and will probably be condemned. She was built in 1836, and for many years has been engaged in our coast lumber trade. Some three months since her owners, after some uncertainty whether to break her up or sell her, finally parted with her for \$2,500 to N. Richard, who fitted her up for a fisherman, with the above result.

We know of several other vessels now running on our coast, which we wish could be similarly and effectually disposed of.

Insurance, none. No company, so we are told, having been found sufficiently enterprising to try a line upon her.

—The arrival of the *Costa Rica*, at San Diego, confirmed the report of the loss of this valuable steamship. On Wednesday morning, the 16th of May, she struck on a reef not laid down on the charts, and became a total wreck. She was then about six miles southwest of Tartus Shoals, off the coast of Mexico, and about thirteen miles from land. All were landed in boats without loss of life.

The steamer cost \$750,000; outfit, \$250,000; the value of the cargo was about \$750,000. The vessel is insured in French companies to nearly her full value. The cargo is covered principally in San Francisco by home and other companies. We cannot give the figures in the present issue, as many of the policies were on interest as might appear, and this cannot be determined until the arrival of the duplicate manifests. Full particulars will be given in our next.

—Nicholas Staaden, an incendiary, has committed suicide, and left real estate worth \$10,000, and a life policy for \$5,000.

—The Knickerbocker Life, at the request of its officers, is to be thoroughly examined by the New York department.

—The Security Life Insurance Co., it is estimated, will pay about 20 per cent. to its creditors.

—A convict in the Indiana State Prison offers to reveal the origin of the fire at the Pacific Hotel, St. Louis, which was burned about nineteen years ago. Thirty lives were lost. The matter is to be investigated.

—A new life insurance company, to be called the Advance, is to be started at Clinton, Iowa. It will be on the co-operative plan. There is another at Preston, Iowa—the Masonic Mutual.

—The Royal Canadian Insurance Co. has reduced its capital from \$6,000,000 to \$2,000,000. It is their intention that the latter amount shall be fully paid up.

—Life insurance companies doing business in New York hold about \$400,000,000 assets, pay claims annually to about \$30,000,000 and collect a surplus income of about the same amount.

—The New York *Times*, says the *Chronicle*, noticing the former's editorial on life insurance, has written itself down an ass. This is not an extraordinary feat. It is performed here by many of our papers who lay down the law on insurance matters. Dogberry requested that he might be written down an ass; he should have offered his editorial services to the insurance tinkers of the daily press.

—The Londoners propose to insure theater audiences against the hazard of fire.

—Eight life insurance companies have returned to their policy-holders since the date of their organization, in death claims, endowments, dividends, etc., \$351,630,698.

—The value of the precious metals extracted in the United States and British Columbia, up to the present time, amounts to \$1,868,500,000, of which California has produced \$1,147,000,000, and Nevada \$345,000,000. The value of bullion shipped from Nevada in 1876 exceeded that of 1875 by about nine millions.

—The Bank of Nevada and the Bank of Commerce in New York stand first on the list of banks in the United States in regard to paid-up capital. Each has \$10,000,000. It is said that the latter bank will reduce its capital to \$5,000,000. In this case, the Bank of Nevada will be alone at the head of the list.

—Rev. I. R. Beecher says that the effect of telling a sinner that he may die to-night, is very much weakened when an insurance man is willing to bet 1200 to one against the event. For twenty-five cents the sinner's life may be insured for twenty-four hours in the sum of \$3,000.

—Stephen wept!—The *Chronicle* (insurance) of April 26, has a cartoon commemorating the lachrymal scene in the English testimony at Albany, N. Y. The representation is piquant in the extreme. St. Stephen was the proto-martyr of the church, and his name-sake fills the same position in insurance journalism. The profits are better in these days than in those.

—At a meeting of the directors of the Globe Insurance Co., of Boston, held on the 10th ult., it was voted to discontinue business. This company was organized about eighteen months ago, with a capital of \$200,000. The total premiums received since organization were \$121,000, and the losses paid, \$43,000. It is stated that the company is thoroughly solvent, but owing to the general depressed outlook of the insurance business, the stockholders thought it best to wind up while in

that condition. The outstanding risks of the Globe have been re-insured on very favorable terms, but in what company we have not been informed.

—Harry Smith, L. L. Bromwell and Tom Grant are prospecting the Webfoot country.

—Mr. Sherman, secretary of the Patterson Insurance Co., was in town looking round.

—Georgia wants a deposit of \$25,000 from outside companies.

—James B. Cooper, Philadelphia agent of the Brooklyn Life, has been found guilty of embezzling the funds of that company.

—The United States Supreme Court decides that a note given as payment on policy must be paid at maturity, or policy is forfeited.

—The "Frank Jones" has been abandoned. Three efforts have been made to float the stranded ship, but without success. The particulars of her loss and insurance were reported in the May number.

—The Residence Fire Insurance Co., of Cleveland, O., retires from business. Organization, 1873; cash capital, \$200,000.

—President Winston, of the Mutual Life, has returned to New York. He had been on a visit to the Pacific Coast.

—The total fire insurance losses paid last year in this country amounted to \$23,118,183; premiums received, \$45,173,275.

—The Washington Beneficial Endowment Association is to be organized under a Congressional charter.

—The San Francisco Board of Underwriters has offered a reward of \$500 for the detection of incendiaries at Bakersfield, Cal. To this the citizens of that town have added \$400 more for a similar purpose. Bakersfield has had a bad celebrity for the crime before referred to.

—Our London contemporary, the *Finance Chronicle and Insurance Circular*, informs us that, according to the records of the Bureau of Vital Statistics in the United States, there was a decrease of suicide in 1876. We presume that San Francisco is not included in the record.

—Hail storm insurance is very popular in Germany.

—An eastern exchange reports that the Mutual Life Ins. Co. of New York is about to lower its rates.

—The Equitable Life Ins. Co. has established a general agency in Holland.

—The quarterly dividend paid by the Union Insurance Co. for the quarter ending March 31st, was 6 per cent., and not five, as stated in our May number.

—In our quotations of foreign insurance stocks, in our May issue, the printer made us say "Svea" for Sea Insurance Co.

—Bakersfield, Cal., has purchased a new fire engine, which was tested a few days since, and found satisfactory.

—John H. O'Neill has been appointed receiver of the Continental Life Insurance Co., instead of Mr. Grace, who has been superseded in consequence of the recent decision of Judge Westbrook.

—Geo. D. Dornin, secretary of the Fireman's Fund Ins. Co. of this city, has been appointed by the president of the National Board of Fire Underwriters a member of the committee on adjustments.

—George Gray, an actor at De Bar's Opera House, St. Louis, is the recipient of a gold medal from his brother actors, as a testimonial to his heroism in saving many lives at the Southern Hotel fire.

—The month of May has been prolific of visitors to the COAST REVIEW. A few days ago we had the pleasure of a friendly visit from Mr. M. Bennett, Jr., the president of the Connecticut Fire Insurance Co., of Hartford, and another from Mr. John P. Harrison, the secretary of the Citizens Insurance Co., of St. Louis. Mr. J. B. Hall, the president of the Home Insurance Co., of Columbus, O., also called. We regret we were not in at the time of his visit. These three gentlemen were on a tour of inspection, both for business and recreation. They appeared satisfied with the state of things generally. Mr. Hall has just returned from a trip to the Yosemite.

—Insurance reports received for 1876-77 are New York, Iowa, and Kentucky. The courtesy of the senders is gratefully acknowledged.

—The address of E. A. Hewitt (one of the editors of the *Chronicle*, N. Y.), delivered before the Underwriters' Association of the South, will be found in that journal of May 17th. It is an able and elegant production.

—The *Ætna* Life Insurance Co. of Hartford, Conn., publishes its statement to Dec. 31st, 1876. Gross assets, \$23,357,648.95. Surplus, by Massachusetts standard, \$2,460,247.25.

—Five of the Chico ruffians, who were indicted on the Chinese robbery and arson cases, have been sentenced to imprisonment; four of them for twenty-five years, and the other for twenty-seven and a half years.

—The steamer "City of Brussels," on which premiums of over 40 per cent. had been paid, has arrived at Liverpool.

—*L'Argus* is a new insurance paper published in Paris. Its statistical and other valuable information we have duly noted. We learn from it that the first Hail Storm insurance company was established at Toulouse in 1801.

—The new insurance law now in force in the Dominion of Canada requires from all life insurance companies thereafter licensed a deposit of \$50,000. Sufficient assets must be kept in Canada to cover Canada liabilities.

—A newspaper directory for 1877 reports the publication in the United States and British America of 795 dailies, 79 tri-weeklies, 125 semi-weeklies, 6,606 weeklies, 122 semi-monthlies, 771 monthlies, 16 bi-monthlies, and 60 quarterlies.

—J. B. Bennett & Co., of Chicago, send us a circular, setting forth the merits of their Underwriters' Adjustment Bureau. "They state that they have not lost a single insurance case in the upper courts, but have gained seventeen cases outright for companies, in the short time of a year and a half, saving \$33,400 and costs."

—The Hand-in-Hand Fire Insurance Co. of London is in the 180th year of its existence. This is the oldest insurance company on record.

—The results of the Mutual Hail Insurance Co. of Wisconsin are satisfactory. A similar company is to be established at Reading, Pa.

—Charles E. Ross, indicted for embezzlement by the Citizens' Insurance Co. of Newark, has been discharged. The Judge considered the case a mere matter of unsettled accounts.

—Judge Westbrook refuses to appoint a receiver for the Atlantic Mutual Life Insurance Co. The secretary of that company contends that it is solvent.

The Atlantic Mutual Life Insurance Co. was organized in 1866, as a homeopathic institution. It allowed a rebate of 10 per cent. to insurers who were attended by homeopathic physicians.

—William McGill, the Chief Engineer of the Fire Department of Vallejo, claims \$1,000 for making the formal complaint against Springer, the incendiary, whose conviction we noted in the May number. The Board of Trustees of Vallejo offered that reward some time ago for the detection of incendiaries, but as no one was arrested, the matter was forgotten. Vallejo is described as being in a "fix" about it.

—The Rev. De Witt Talmadge, in a sermon on life insurance, preached at the Tabernacle, Brooklyn, N. Y., claims for the origin of that system an antiquity as old as the captivity of Joseph in Egypt. The advice of Joseph to Pharaoh, to reserve one-fifth of the crops during the seven years of plenty in order to meet the exigencies of the seven years of famine, is, according to the preacher, the essential principle of life insurance. In the poetic phraseology of "poker," we see brother Talmadge, and go one better. Life insurance is designed not only to refund what one might save, but also to pay what he may have been unable to save in consequence of the uncertainty of life. The ser-

mon is a pithy and powerful production, and deserves to be reproduced in full. It may be found in the columns of the *Advance*, a New York religious paper.

—The Parisians eat water-cresses to the extent of \$600,000 per annum.

—The Globe Insurance Co., of Boston, established in 1875, has re-insured its risks in the Shawmut, and retired from business. Stockholders expect to realize 90 per cent. on their investments. The company was well managed; but they declined to continue under the present low rates of premiums.

—The great sensation of the hour is the change in the San Francisco management of the Imperial and the Queen. Falkner, Bell & Co. have been agents of the Imperial since its establishment on this Coast. Their successor is Mr. W. Lane Booker, manager of the Pacific branch of the Northern Assurance Co., and consul for Great Britain. "The king is dead! long live the king!"

—Daniel Carlisle, accused of setting fire to his residence on Ninth Street, Oakland, was arrested on the 9th of May. The action of the fire department in the matter is approved by the *Oakland Transcript*. Carlisle had recently been divorced from his wife. He said, "I'll bet the old woman set it afire."

—The entire ascertained loss to policy-holders by the failure of life insurance companies doing business in New York during the last generation, has not been so much as the surplus income of the existing companies for three months. If there is any other branch of human enterprise, in manufactures, finance or commerce, which has been carried on so long, and on so large a scale, with so small a proportion of losses, its statistics are unknown. Further, of the appraised wealth of the country, as it stood four years ago, that part which is invested in land and buildings has shrunk, as statisticians assure us, in the aggregate hardly less than forty per cent, while that which is invested in life insurance has increased not less than twenty per cent.—*Charlton Lewis in the International Review.*

—The Insurance Commissioner for the State of Maine will please receive our thanks for Part 1 of his Report for 1876.

—A lawyer representing a life insurance claim, complains in the *Boston Globe* that in the "proof of loss" furnished by the company there were sixty-nine questions to be answered by the claimant, and about 200 more by other parties, including the undertaker. He is, however, thankful that there were no questions to be answered by the corpse. "Anger makes dull men witty."

—Kate Claxton, of Southern Hotel and other celebrity, denies that she ever predicted for herself a fearful death by fire. Whenever she stops at a hotel, she says, she is intensely disgusted at the sight of donkeys providing themselves with fire escapes, etc. Editors, she thought, had more brains than to promulgate the ridiculous stories about her, that have been going the rounds of the press. Give her a rest.

—We are pleased to learn that the Pacific Mutual Life Insurance Co. of California is meeting with good success in extending its agencies and increasing its business. With a favorable location and excellent facilities for the safe investment of its funds at a high rate of interest, it certainly possesses great advantages over many companies less favorably located. In a late number of the *Oregonian*, published in Portland, Oregon, we notice an extended and very favorable report made by Judge E. D. Shattuck as to the Pacific Mutual, the result of a careful and exhaustive personal examination, and the satisfactory character of the report is shown by the resolutions adopted by the Oregon department office of the company, of which Judge Shattuck is president. The last resolution is as follows:

"Resolved, That we recommend said Pacific Mutual Life Insurance Co. of California to the citizens of this State as a safe and well-managed company, well worthy of the confidence and patronage of those desiring to effect insurance upon their lives, and possessing ample assets to insure prompt fulfillment of all its obligations."

—We see by the *Los Angeles Express* that one Flanagan recovered damages to the amount of one dollar against one Fluhr, for the dislocation of his rib by overturning a Bus. Mr. Flanagan ought to know that an accident policy in the Travellers' Ins. Co. is the proper thing to have when an accident occurs. A jury never appreciates the situation in such cases.

—Suicides in France for 1876: 4,435 males and 1,132 females. This result is partly classed as follows: Mental alienation, 1,433; drunkenness, 509; physical suffering, 798; domestic trouble, 633, and fear of destitution, 320.

—A large part of the indemnity awarded at the Geneva Conference still remains in the hands of the Government. It should be distributed among the shippers and ship owners in re-imbursement of war premiums. All admitted claims for destruction of ships and cargoes have been already settled.

—At the regular meeting of the directors of the Pacific Mutual Life Insurance Company, held at their office, on Second Street, Sacramento, Monday evening May 14th, the following officers were elected: J. H. Carroll, president (re-elected); Geo. A. Moore, vice-president (re-elected); Jerome C. Carroll, secretary; W. R. Chumess, medical adviser.

—"The Insurance Blue Book, 1876-1877," published by C. C. Hine, editor of the *Insurance Monitor*, New York, is an important contribution to the library of the profession. It is of handsome exterior, and a model of typographical skill. It opens with a concise and graphic history of insurance in the United States, from the earliest times. This is from the pen of Walter S. Nichols, associate editor of the *Monitor*, and includes a chapter of sketches of representative companies, with heliotypes of their home offices. The Blue Book contains also a tabular history of all the companies that have done business in New York since the official record began; directories of all companies, and of all insurance agents in the United States; a digest of all insurance decisions in 1876; and abstracts of the insurance laws of

the several States. We thank Brother Hine for his courtesy in sending us this valuable volume.

—August F. Harvey, the actuary who examined the Union Central Life Ins. Co. of Cincinnati, a few weeks ago, has brought suit against Robert Simpson, the general agent of the Mutual Benefit Life at Cincinnati, to recover \$50,000 damaged alleged to have been sustained by reason of the publication by Simpson of an open letter on the 4th of May, in which he charges Harvey with being deficient in skill and integrity as an actuary; that Harvey's examination of the Life Association of America had been imperfectly, unskillfully and unfaithfully reported, and that the public could not place confidence in other examinations made by him—all of which Harvey claims to be false. He claims it is not true that he had examined the Life Association of America, and that it had been admitted to do business in Ohio upon such examination. He also claims that it is not true that that company had been excluded from Ohio.

—The New York Times, in an editorial on life insurance reform, makes use of the following very pertinent remarks concerning State supervision of insurance:

"There is one obvious danger in all legislation relating to life insurance, and that is the tendency to supersede individual precautions against bad management, and to inspire blind confidence in the checks and safeguards created by law. In its most perfect aspects, the law can be only an inadequate protector of the policy-holders or the public. It may be invaluable as an auxiliary; it is worthless as a substitute for independent criticism. The question is fairly open to discussion, whether the theory of State supervision, as hitherto applied in this country, has not produced quite as much harm as good. The immediate effect of it has been to create the impression that the action of the State department might with safety be relied upon to insure the solvency, and in essential features the good conduct, of the companies transacting business under

its sanction. Recent events have rudely dispelled this delusion. We have seen reckless and fraudulent management carried on with the implied license of the department. We have seen companies long and notoriously rotten keeping up appearances, which an efficiently administered department would have rendered impossible. We have seen insolvency pass unchallenged, and frauds that should have landed their perpetrators in the dock consummated with impunity."

LEGAL BREVITIES.

—The case of Williams & Bixler *vs.* The Commercial Union Assurance Co., in the District Court of Storey Co., Nev., has been decided for the defendant. Plaintiff, who was insured in said company, claimed for the destruction of his building by the falling of the walls of an adjacent building, which had been left standing after the interior had been destroyed by fire on the 26th of Oct., 1875. These walls were blown down during a gale of wind on the 1st of Nov. of that year. Defendant proved that they had been left standing in good condition, and that they fell from the effect of the wind alone.

—Connecticut Mutual Life *vs.* Schaefer, in error to the Circuit Court for the Southern District of Ohio. The Supreme Court of the U. S. affirms the judgment of the Court below. In this case it was ruled that a wife's insurable interest in a life policy, of which she may be the beneficiary, continues after divorce. Life insurance companies, however, may provide against such contingencies by a special clause in the policy. We commented on this case in the May number.

—Aetna Life Insurance Co. *vs.* France and Wife, Supreme Court U.S. in error. Company's defence on misrepresentation of age. Decision, that policy is not invalidated thereby. It is subject only to deduction for difference of premium. This decision is in accordance with the practice of many life insurance companies.

—The Supreme Court of U. S. re-affirms the principle of parol contracts, unless prohibited by statute. *Relief Ins. Co. vs. Shaw.*

—Hazzard *vs.* Canadian Agricultural Insurance Company is editorially reported in another part of this issue. The decision is important, and relates to the insurable interests of mortgages.

—Barnett & Co. are warehousemen in London. They had floating policies to cover their own and their customers' goods. Rodonachi & Co. stored a lot of grain at B. & Co.'s warehouse, and effected insurance for the value. The conditions of all the policies were similar as to paying *pro rata* loss. The warehouse and contents having been destroyed by fire, R. & Co.'s insurers declined to contribute, and their position is sustained on appeal by the Supreme Court of Judicature. B. & Co. being primarily liable to R. & Co., the policies of the former must pay all the loss. R. & Co.'s policies have the right of subrogation. This right, in our opinion, is analogous to that of a company granting a policy of pure indemnity on a mortgagee's interest. The floating policies were written by the Liverpool and London, and some other companies. The other party to the suit was the North British and Mercantile.

—In an Illinois insurance case it is held, by the Supreme Court of the United States, that "where application for insurance had been made in due form, the property to be insured being fully described, the amount of insurance named, and the rate of premium agreed upon, and, there being no questions about any other points in the contract, nothing remained to be done but to issue the policy, the contract of insurance was perfected, the risk taken, and in case of loss by fire the company is liable. *Eames et al. vs. Home Ins. Co.*

—During the civil war the goods of one Boone were burnt by a Federal officer to prevent their falling into the hands of the enemy. They were insured in the *Etna*, which refused to pay, and set up the proviso against loss by invasion, insurrection, etc. Circuit Court, Connecticut, held that this

fire did not come within the proviso, and gave judgment for the insured.

—The Union Central Life *vs.* The Mutual Benefit Life—Simpson and Brewster—action for libel. Defendants demurred to the petition, and demurrer sustained.

—The Baltimore *Underwriter* reports an attachment granted to Robert T. French against the National Capitol Life Ins. Co. of Washington, D. C. Action has commenced. Claim is based on an endowment policy transferred from a company in bankruptcy to the defendant.

—Kelly was a Texas cattle-dealer, and took a policy in the St. Louis Life. He gave note for premium, "payable when he sold his cattle." He was notified by the agent to call and pay his note, and obtain policy. On his way to do so he was killed by a railroad accident. Widow brought suit on claim, and was defeated. Missouri Court of Appeals has reversed the judgment, and holds the company responsible.

—In the case of Bard *vs.* United States Life, the Supreme Court of New York has decided that he lost his right in the non-forfeiture clause of his policy by neglecting to make his claim within the time therein prescribed.

—The decision of Judge Westbrook in the case of the Continental Life Insurance Co. will probably be appealed against to the highest Court of New York. Mr. Grace, the receiver superseded by that decision, declines to surrender the assets to his appointed successor, Mr. O'Neill, who has been restrained from interfering with them by a perpetual injunction.

TO LIFE AGENTS.

Southern California offers a fresh and inviting field in Life Insurance, and very favorable terms are offered by the undersigned to Agents with good records. Correspondence is invited from live agents who desire to work for the most popular company represented in the State. Address

A. SIDNEY SMITH,

Manager Southern Department Pacific Mutual Life Insurance Company of California.

Los Angeles, Cal.

COAST REVIEW.

A MONTHLY JOURNAL, DEVOTED TO FIRE, MARINE AND LIFE
INSURANCE.

J. G. EDWARDS, Editor and Proprietor,

320 California St., San Francisco, Cal.

VOL. 12.

JULY, 1877.

NO. 4.

Fire Insurance in the State of New York in 1876.

The fire and fire-marine insurance companies authorized to do business in New York report the following premiums received and losses paid in that State in 1876:

Name of Company.	Fire Prem's Rec'd in 1876.	Fire Losses Paid in 1876.
Ætna.....	\$42,804.58	\$22,956.18
Adriatic.....	87,197.85	34,848.00
Agricultural.....	314,526.69	186,977.52
Albany.....	68,520.49	30,066.59
American.....	185,246.00	31,198.66
American Exchange.....	47,754.19	9,725.01
Amity.....	38,568.59	26,601.58
Arctic.....	26,176.26	10,371.85
Atlantic.....	149,784.62	127,046.06
Brewers and Malsters.....	98,586.39	37,212.39
Broadway.....	58,574.26	14,148.83
Brooklyn.....	58,945.69	7,135.40
Buffalo.....	35,051.40	21,102.98
Buffalo German.....	110,300.73	62,253.50
Capital City.....	25,223.84	18,202.45
Citizens.....	176,369.40	39,546.57
City.....	51,934.70	26,418.71
Clinton.....	69,277.33	26,902.14
Columbia.....	64,069.58	31,252.31
Commerce (Albany).....	59,351.64	21,218.83
Commerce.....	23,675.51	14,566.00
Commercial.....	173,802.08	97,636.21
Continental.....	410,099.64	151,461.07
Eagle.....	141,210.38	60,829.99
Empire City.....	59,019.32	50,115.13
Emporium.....	45,096.72	28,671.23
Exchange.....	81,725.18	62,947.81
Farragut.....	105,969.17	31,076.57

Firemen's.....	56,982.44	15,934.11
Firemen's Fund.....	55,339.36	33,379.95
Firemen's Trust.....	66,971.14	26,592.44
Franklin.....	73,509.31	10,355.45
Gebhard.....	39,591.54	8,288.36
German-American.....	279,636.00	88,502.99
Germania.....	235,922.38	42,388.45
Glens Falls.....	167,014.53	103,030.96
Globe.....	87,252.08	44,780.55
Greenwich.....	190,673.70	55,714.38
Guaranty.....	71,792.30	47,618.59
Guardian.....	58,300.00	24,787.00
Hamilton.....	71,623.66	32,137.77
Hanover.....	236,082.57	113,681.07
Hoffman.....	60,267.05	34,477.48
Holland Purchase.....	80,557.66	57,782.10
Home.....	542,567.92	301,241.96
Homestead.....	87,890.62	63,838.08
Hope.....	53,663.08	30,166.76
Howard.....	95,522.24	29,772.99
Importers and Traders ...	66,353.37	19,084.46
Irving.....	35,275.01	8,619.09
Jefferson.....	62,751.95	25,368.23
Kings County.....	68,682.22	51,463.40
Knickerbocker.....	58,922.92	12,761.21
La Fayette.....	91,045.58	33,974.61
Lamar.....	50,472.41	38,684.71
Lenox.....	42,105.16	17,825.13
Long Island.....	63,802.50	8,643.28
Lorillard.....	79,347.68	28,562.71
Manhattan.....	199,303.72	165,500.59
Manufact's and Builders	89,105.57	18,732.99
Mechanics.....	96,893.43	32,992.41
Mechanics and Traders...	145,709.52	97,800.52
Mercantile.....	39,801.98	15,166.33
Merchants.....	138,749.58	44,219.07
Montauk.....	82,282.19	21,915.18

Nassau.....	74,897.84	18,373.39	Equitable, Tenn.....	25,579.19	23,475.79
National.....	111,665.67	47,576.89	Fairfield, Conn.....	33,011.63	23,876.78
New York Bowery.....	137,476.50	49,919.96	Faneuil Hall, Mass.....	12,968.44	20,873.63
New York and Boston....	17,177.60	409.96	Fire Association, Pa.....	218,128.12	146,074.08
New York Central.....	119,154.88	88,601.99	Fireman's Fund, Cal.....	54,882.30	47,498.66
New York City.....	69,104.00	32,053.85	Firemen's, O.....	13,918.91	9,144.90
New York Equitable.....	71,445.61	17,635.33	Firemen's Fire, Mass.....	16,351.54	23,332.68
New York Fire.....	74,431.00	35,128.50	Firemen's, N. J.....	28,871.70	16,408.78
New York Produce Exch.	42,798.20	18,696.46	First National, Mass.....	7,316.30	7,804.04
Niagara.....	172,575.59	120,301.91	Franklin, Mass.....	15,977.83	16,337.76
Northern.....	38,360.05	26,628.80	Franklin Fire, Pa.....	88,383.12	55,726.28
North River.....	35,425.13	3,342.84	German, Md.....	8,967.93	.....
Pacific.....	120,250.00	49,424.00	Germania, N. J.....	21,798.46	5,963.11
Park.....	64,670.00	26,868.50	Girard F. and M., Pa.....	32,066.68	17,609.59
People's.....	53,620.43	27,580.17	Granite, Va.....	12,516.49	8,107.17
Peter Cooper.....	41,634.11	3,234.84	Hartford, Conn.....	285,134.06	149,079.52
Phenix.....	346,796.85	121,854.84	Home, N. J.....	20,963.32	6,020.76
Relief.....	120,632.62	58,570.20	Home, O.....	49,618.84	28,327.19
Republic.....	105,327.16	39,271.56	Ins. Co. of N. A., Pa.....	164,082.86	97,317.94
Resolute.....	35,382.75	27,230.53	Ins. Co. State of Penn....	23,777.44	10,242.12
Ridgewood.....	41,115.64	13,721.68	Jefferson, Mo.....	12,476.79	3,027.00
Rochester Gorman.....	47,462.62	45,223.73	Lancaster, Pa.....	40,382.21	47,747.56
Rutgers.....	85,258.48	19,129.73	Manayunk, Pa.....	8,016.68	17.54
Safeguard.....	103,510.03	41,919.85	Manufacturers, N. J.....	31,793.67	33,117.03
St. Nicholas.....	72,014.52	31,396.72	Manuf. F. and M., Mass.	23,457.10	20,449.18
Standard.....	51,676.16	15,043.49	Mercantile, O.....	29,796.33	23,040.61
Star.....	85,588.82	32,009.01	Mercantile Marine, Mass.	7,712.17	2,152.85
Sterling.....	49,655.21	29,861.38	Merchants, R. I.....	48,728.38	39,371.07
Stuyvesant.....	59,654.13	20,422.47	Merchants, N. J.....	61,090.52	37,370.34
Tradesmen's.....	78,482.05	26,188.93	Meriden, Conn.....	38,619.40	25,828.19
Union.....	29,233.32	5,804.10	Mobile Fire Depart., Ala.	50,028.76	11,075.30
United States.....	43,392.00	11,216.00	National, Conn.....	49,500.68	36,873.02
Watertown.....	95,773.16	58,868.64	Neptune F. and M., Mass	12,983.83	5,986.07
Westchester.....	279,546.92	207,237.33	Newark City, N. J.....	32,657.60	23,256.73
Williamsburg City.....	264,193.52	118,606.26	New Hampshire, N. H....	29,451.21	22,448.83
Totals N. Y. State Joint Stock Fire and Fire- Marine Companies.....	\$10,072,397.67	\$4,590,658.72	North American, Mass..	10,708.00	4,113.40
JOINT-STOCK FIRE AND FIRE-MARINE IN- SURANCE COMPANIES OF OTHER STATES.			Northwestern Nat., Wis..	32,142.67	29,338.58
Ætna, Conn.....	\$636,967.64	\$442,878.00	Orient, Conn.....	57,782.21	40,568.28
Allemannia, Pa.....	18,452.64	23,636.40	Paterson, N. J.....	62,014.38	41,761.10
Amazon, O.....	79,317.91	75,310.22	Pennsylvania, Pa.....	88,434.21	58,734.93
American, Mass.....	14,902.89	1,715.96	People's, Newark.....	60,847.10	46,110.34
American Central, Mo....	42,781.68	20,759.79	People's Fire, Trenton ..	43,222.67	30,702.84
American, Pa.....	61,975.40	39,417.45	Philadelphia Fire, Pa....	20,089.88	15,775.27
Atlanta F. and M., R. I.	10,823.98	13,627.42	Phenix, Conn.....	193,754.98	122,478.58
Atlas, Conn.....	111,645.97	106,717.70	Prescott, Mass.....	55,572.80	32,339.27
Bangor, Me.....	92,570.22	68,635.21	Providence, Wash., R. I..	37,424.26	36,867.53
Boylston Mutual, Mass...	10,705.24	21,828.83	Reading, Pa.....	12,129.57	11,093.35
Citizens, Mo.....	36,240.57	28,890.64	Revere, Mass.....	11,102.72	5,005.67
Citizens, N. J.....	67,972.37	29,684.55	Roger Williams, R. I.....	46,833.80	46,405.67
Commonwealth, Mass....	34,127.87	8,667.42	Security, Conn.....	19,521.79	14,587.75
Connecticut, Conn.....	50,480.49	41,344.51	Shawmut, Mass.....	34,382.88	14,678.77
Detroit F. and M., Mich.	371.21	.....	Shoe and Leather, Mass.	10,232.30	5,994.50
Elliot, Mass.....	12,671.97	5,769.84	Springfield F. & M.....	122,242.96	86,016.17
Equitable F. and M., R.I.	18,957.61	8,803.53	Standard, N. J.....	31,157.14	19,559.82
			St. Joseph F. & M., Mo..	47,017.71	31,001.09
			St. Louis, Mo.....	51,445.48	40,924.59
			St. Paul F. & M., Minn...	34,805.05	23,740.15
			Sun Fire, Pa.....	24,558.08	10,855.11

Teutonia, Pa.....	1,955.69	697.17
Toledo F. and M., O.....	26,011.15	13,528.70
Traders, Ill.....	22,784.23	27,914.30
Union M. and F., Texas..	17,292.53	9,803.83
Virginia F. and M., Va....	20,918.68	20,366.79
Virginia State, Va.....	11,805.97	1,601.82
Washington F. & M., Mass	12,681.05	5,868.57
Totals other States Joint Stock F. & F. M. Insur- ance Companies	\$4,144,898.39	\$2,846,660.51

MUTUAL FIRE INSURANCE COMPANIES OF OTHER STATES.

American Mutual, N. J.,	\$21,948.47	\$8,399.27
Farmers' Fire, Pa.....	62,270.99	43,207.52
Lycoming, Pa.....	158,992.82	148,974.68
Newark Mutual, N. J. ...	19,178.38	7,880.88
Total other States Mutual Insurance Companies...	\$262,390.66	\$208,462.35

FOREIGN FIRE INSURANCE COMPANIES (U. S. BRANCHES).

British Amer., Toronto...	\$102,962.30	\$56,556.25
Comm. Union, London ...	180,160.00	110,590.79
Guardian F. & L., Lond..	91,170.20	21,032.71
Hamburg-Bremen Fire, Hamburg.....	58,942.23	44,732.81
Imperial Fire, London...	84,764.30	57,636.87
Lancashire, Manchester.	120,074.26	66,132.18
Liverpool and London and Globe, London	638,758.88	274,400.92
North British and Mer- cantile, Lond and Ed...	280,915.86	135,911.51
Northern, London.....	84,764.30	19,997.87
Queon, Liverpool.....	207,609.48	94,394.97
Royal, Liverpool	553,276.49	211,186.62
Royal Canadian, Mont ...	154,128.48	69,055.15
Scottish Comm., Glasgow	79,402.56	28,562.44
The Corporation of the London Assur., Lond...	121,360.00	61,419.00
Western Assurance Co., Toronto.....	112,875.73	58,815.86
Totals.....	\$2,871,165.07	\$1,310,425.95

RECAPITULATION.

N. Y. Joint Stock F. & F.-M Cos.....	\$10,072,397.07	\$4,590,658.72
Other States Joint Stock F. and F.-M. Cos.....	4,144,898.39	2,846,660.51
Other States Mutual Fire Cos.....	262,390.66	208,462.35
American Branches For- eign Cos.....	2,871,165.07	1,310,425.95
Aggregato	\$17,350,851.79	\$8,956,207.53

Specialties in Fire Insurance.

The division of the fire insurance business into specialties is one of the reforms which are progressing in European cities, and it is not improbable that a similar principle might be applied in the United States as a partial remedy for that demoralization of fire rates which seems to be of periodical recurrence. We find by our exchanges that in Russia and Switzerland there are a few companies that insure only sugar refineries, and that Paris has two companies, and Prague and Brussels each one company for the same special purpose. Other fire insurance specialties are also in practice in England and France.

On this subject we invite the attention of our readers to the following extract from the brilliant address of the late E. A. Hewitt, of the New York *Chronicle*, whose death has just been reported to us, and whose obituary will be found in another part of this issue. This address was delivered on the 10th of May last, before the Underwriters' Association of the South :

"And out of all these and the many other complications and perils that beset fire underwriting is to come—what? Not the end of insurance—not the annihilation of the business. So long as men build and make, and buy and sell, and get gain or sustenance, by any of those vocations which involve the creation, handling or transportation of values, so long must their possessions and ventures be insured.

The present chaos of uncertainties in finance, in politics, in legislation, in trade and in manufactures is to be made the arena of a wild struggle for business between existing fire insurance companies. How long it will last cannot be foretold; but this generation will not again witness so compact and efficient an alliance between the stronger companies as was the National Board in the days of its unshorn power.

How far the strife will go is equally difficult to predict; but we may be sure that it will continue until the weaker companies are driven to the wall. The fittest will survive, and the profession will be purged of

many a sham and many a fraud. When the struggle is over and the dead are buried, brains will come to the front, and there will be a demand for more intelligent underwriting. In fact, there has been but very little real progress in the business of fire underwriting. In every other department of human exertion there has been a progress more or less swift and vast. The discoveries and inventions of the past quarter of a century have altered the face of the civilized globe and revolutionized the conduct of every business. In fire insurance alone are we content to pursue the musty methods of the past. These will not suffice for the difficulties that await us in the immediate future.

The day is at hand when either the companies that shall survive, or new companies organized for the purpose, will undertake the insurance of certain hazards as a specialty. It is a universal law governing organizations of every kind, that in proportion as there is to be efficiency there must be specialization. The law of all progress is from the general to the special. Out of the old leech, with his razor and tooth wrench and lancet, are evolved the modern barber, the dentist and the surgeon. Formerly gold and silver and bronze were beaten in the same room and by the same workmen. It was found that in gathering from the mixed particles of the beaten metals floating in the air the gold lost largely, and the silver considerably, while the bronze gained immensely. The beating was then done in different rooms, and out of this separation came more skillful workmanship and a multiplication of industries. The old corner store, where molasses and ribbons, pickled pork and calomel, tenpenny nails and cambric needles, cuts of cheese and drawings of tea, (not to mention fresh eggs and old Medford rum,) were sold over the same counter, is fast disappearing to make room for shops devoted to the sale of each specialty.

The same law will yet be obeyed in fire insurance. Already, at the North, we have companies insuring cotton-mills exclusively, and the experience is a pronounced success. The staple and the manufacture, the

storage and the shipment of wool, tobacco, sugar, rice, lumber and grain will, at some not distant day, find insurance, each in a company devoted to its particular hazard.

And there are some manifest advantages of such a plan. A full average of risks will be obtained. A company can better undertake to insure, at proper rates, all the planing-mills, or all the woolen mills in the country, than a paltry score of each.

Expenses would be lessened, for each industry having insurers devoted to it alone would naturally seek such insurers, and so save to them the expense of solicitation.

The actual cost of the insurance would be materially reduced by the underwriters' more complete knowledge of the hazard. Such a vast variety of hazards are now coming constantly before the average underwriter, and so rapidly does each of them change, in some material point, that it is impossible for him to have ready for constant use an accurate measure of them all. While he is measuring a yard of silk ribbon, his molasses can be overflowing or his kerosene barrel springs a leak and explodes.

How is it that the New England companies, which insure cotton-mills only, are constantly making money at a rate of 40 cents, while the stock companies, that take them at an average rate of 1½ per cent., lose money by them as constantly?

It is because the insurer of cotton factories only makes it his only business—and it is enough—to know cotton, cotton factories, the cotton market, and the financial standing and business character and habits of every manufacturer insured—things which no man can thoroughly know unless he makes them a special and constant study. The engine, the picker, the shafting, the spinning machinery, the value and quality of the dyes, the printing machinery, the hazards of the dye-houses, the construction of the mill, its lighting and heating apparatus, the location and hazards of its store-houses, the apparatus for extinguishing fires, and the precautions taken to prevent them—all these things, and many more, he intimately knows about each risk underwritten.

Underwriting these risks only, he is able

to intelligently point out to each applicant the defects, if any, in his risk, and the way and the cost of permanently removing them.

The same principle can be applied to many other branches of underwriting, and be so applied before this generation of underwriters passes away.

This is but one of the many "new departures" that the everchanging conditions of success in the business will require. If, by citing this, I have suggested others, or even sent you in quest of them, my purpose is accomplished."

Destruction of Property by Fire.

To my mind the most important question of the day is, how to diminish the fearful and wasteful destruction of the precious fruits of industrial toil. The *Chronicle*, a weekly insurance journal of New York City, has bestowed much useful labor for two years past upon collecting and classifying statistics of fires occurring in the United States and Canada. From it we learn that the value of property destroyed in 1876 in these localities was \$73,775,800—an average of \$202,125 per day. From the same source we learn that New Hampshire's share of this loss was \$942,500, of which the insurance companies were holden for \$515,000. This is \$133,648 more than is reported at this office, and confirms what has been said of insurance effected outside of the State. This total loss of nearly a million dollars' worth of property in this State by fire annually, apparently attracts but little attention. People, with wonderful complacency, seem to assume that this wanton destruction of property must go on without remedy. The main question is—Will the insurance companies pay? The fact that these vast amounts consumed must be deducted from the inventory of taxable property, thus enhancing the tax on all property not consumed, does not occur to them, nor do they consider that the insurance companies obtain their means of paying losses by taxing the people for their insurance sufficient to meet the losses and expenses. The people sustain all the losses, and do all the paying.

Insurance companies do not put up capital to pay losses, although it frequently has to be drawn upon for this purpose. The capital is simply a guaranty to the public for the faithful performance of the business proposed by the company, which is, to collect premiums from the many to pay the losses of the unfortunate few whose property is burned. This is certainly a legitimate and useful business. The capital pledged is placed in great hazard, and is not unfrequently swept away, and the losers have no redress. It is the people, therefore, who are mainly interested to arrest the annihilation of property by fire.

Statistics prove that no country on the globe equals ours in the extent of the evil under consideration. This comes of our American hot-house, unsubstantial methods of business. It is not, however, without remedy. What other countries have done, we may do. When the attention of our people is sufficiently arrested to induce them to count the cost, and weigh the burdens imposed by this evil, and satisfy themselves that these burdens rest upon their own shoulders, they will seek out remedies, and find means of applying them.

The cities of this State have already moved in this matter to some extent, and the favorable results are very marked. This has already secured for them a liberal reduction on the rates charged for insurance. All the leading companies now assert that their profits come from the cities, and their losses from the country towns; or, in other words, that they now collect premiums in the cities to pay losses in the country. It is but a few years since the reverse of this was the truth. Some of the larger towns and villages are also giving attention to this subject, with the best of results. If sufficient interest can be awakened to reach every town and village in the State, no doubt our annual report will be materially changed. A few dollars mistakenly saved, in the construction and arrangement of flues, stoves, and heating-pipes, not infrequently involves the whole structure in ruins, and extends to adjoining property, perhaps even more valuable.

It will doubtless be said, and said truly, that a large share of the fires that occur are chargeable to different species of fraud and crime. Some investigators place this amount as high as fifty per cent. Under the prevalent but mistaken idea, that only insurance companies suffer when property burns, the people have not interested themselves to ferret out these frauds and bring the criminals to justice. Could they be made to realize the fact that every fraudulent loss, whether punished or unpunished, finds its way into the premiums we pay for our insurance, the same stoical indifference would not prevail. Several convictions for arson have been procured in this State during the past year. This is a hopeful sign. Were incendiaries pursued with the same degree of vigilance that follows other criminals, convictions would be more frequent. Insurance companies find it cheaper to pay for losses than for lawsuits. They do not stand an even chance in our courts. The average jurymen supposes he is mulcting the company, instead of taxing the community, by this verdict. The same weight of evidence that would convict a person of murder would not always convict him of arson. A few years ago many towns were heavily mulcted for damages occasioned by alleged defects in highways in this State. Some frauds were committed, and the cases multiplied. At length the fact began to be comprehended that the towns had to do all the paying for the damages, and costs, too. Now, the current of public opinion is so much changed that towns rarely lose a case, and there is danger even of juries leaning to the other extreme. When the people comprehend the fact that they have to pay for all the fire losses, and even make up the deficiency for the taxable property consumed, the same change in public opinion will follow.

Much has been said about over-insurance, as tending to increase the destruction of property by fire. The influence of this evil cannot be exaggerated. Insurance companies and agents have much to do with it, but are not alone responsible. They are guided more or less, necessarily, by the applicant's valuation of his own property.

Where fraud is contemplated, the owner will, of course, practice every possible deception upon the insurer, and in many cases has the insurer at a great disadvantage.

It is believed that some legislation upon the subjects here treated would result in diminishing this annual destruction of the precious fruits of industrial labor. Any movement adapted to arrest the attention of the people and stimulate discussion upon the subject, cannot be otherwise than productive of good. Were it made the duty of the selectmen of towns to visit the locality of every fire immediately after its occurrence, and ascertain, as far as possible, the cause of the fire, the character and value of the property burned, when insured and for what amount, the name of the company or companies insuring, and other facts of interest, and report the result of their investigations to this office, it would be not only a means of collecting valuable information, but would have a tendency to secure greater care and caution among the people generally, and do much to check the prevalence of fraudulent fires.—*New Hampshire Insurance Report.*

New York Insurance Law.

The new insurance law, after seething and bubbling for many weeks in the bewildered brains of the Albany legislators, has been finally boiled down to the following dimensions, we clip, as follows, from the *Chronicle of New York* :

"The determination of the Legislature that has just stepped down from the Albany dunce block to do mischief to the insurance interests of the State was so bitter and strong as to defeat itself, and most of the baneful measures proposed were finally vomited up. What was done is briefly summarized, as follows: A bill was passed authorizing any fire or marine insurance company to reduce the number of its directors to not less than thirteen, whenever an approving two-thirds vote of the existing directors and the written consent of those holding a majority (in amount) of the stock shall have been obtained.

Chapter 209 declares that no company shall be hereafter organized under the laws of this State for the transaction of fire or marine insurance business with a smaller capital than \$200,000, "the same to be paid in cash." Companies from other States or countries applying for permission to do business in this State will have to comply with the same condition. Chapter 211 forbids any fire, life, marine, or other insurance company, hereafter organized under the laws of this State, from using any corporate name or title used at the time by an insurance company, either life, fire, marine, or of any kind. Chapter 241 makes it unlawful for any fire insurance company to represent, "either by advertisement * * or by any sign, circular, card, policy of insurance or certificate of renewal thereof, or otherwise, any funds or assets to be in possession of any such company not actually possessed by such company, and available for the payment of losses by fire, and held for the protection of holders of policies of fire insurance." A violation of the provisions of the act is to be punished on the first offence with a fine of \$500, the second by a fine of \$1,000. Chapter 229 is by far the most important of the laws passed in relation to life insurance. It is as follows:

SEC. 1. No life insurance company, organized under the laws of this State, shall insure any of its outstanding risks or policy obligations in any other life insurance company, except as hereinafter provided.

SEC. 2. Any life insurance company, organized under the laws of this State, is hereby authorized and empowered to reinsure the whole or any part of any policy obligation in any other company or companies, provided the written consent of the owner of such policy so reinsured shall first be obtained to such reinsurance.

SEC. 3. It shall be lawful for any receiver of any life insurance company, organized under the laws of this State, to reinsure upon the written consent of the superintendent of the insurance department and the Attorney-General, the whole of the policy obligations of such company in any solvent company or companies, organized

under the laws of this State, whenever the assets of the company of which he is receiver are sufficient to effect such reinsurance; and whenever such assets are not sufficient to effect such reinsurance, such receiver, upon the like consent as above provided, may reinsure a percentage of each and every policy obligation outstanding in such company to the extent that the assets of such company may be sufficient to effect such reinsurance, provided, however, that no contract effecting such reinsurance shall be entered into except in pursuance of an order of the court in which such receiver was appointed, directing reinsurances authorized by this section, and establishing the general form of the contract to effect the same.

SEC. 4. This act shall take effect immediately.

Chapter 321 provides that no life insurance company shall have power to declare forfeited or lapsed any policy hereafter issued or renewed by reason of non-payment of any annual premium or interest on any portion thereof, except upon the following conditions: "Whenever any premium or interest due upon any such policy shall remain unpaid when due, a written or printed notice stating the amount of such premium or interest due on such policy, the place where said premium or interest should be paid, and the person to whom the same is payable, shall be duly addressed and mailed to the person whose life is assured, or the assignee of the policy, if notice of the assignment has been given to the company, at his or her last known post-office address, postage paid." The notice must demand the payment of the policy within thirty days after it is mailed. Unless payment is made within the time specified, the policy and all payment thereon are to be void.

—The *Western Insurance Review* says: "Look out for the Delaware State Mutual Fire Insurance Company, hailing from Delaware City. It was started by two Chicago sharpers a year or so ago, and is no doubt a first-class swindle."

ITEMS FROM ANNUAL STATEMENTS

OF TWENTY-FIVE LIFE INSURANCE COMPANIES, AS ADMITTED BY THE NEW YORK COMMISSIONER, EACH OF WHICH SHOWS A SURPLUS TO POLICY-HOLDER OF MORE THAN \$350,000.

Name of Company.	Location.	Commenced Business.	Total admitted Assets.	Total Liabilities except Capital.	Policy-Holders' Surplus.	Amount of not Assets for every \$100 of reserve.	Amount of Risks written in 1876.	Number of Policies in force Jan. 1, 1877.	Amount of Risk in Force Jan. 1, 1877.	Capital Stock.
Mutual Life.....	New York City.....	1812	\$82,076,700	\$71,813,827	\$10,262,879	\$114	\$32,127,803	92,125	\$301,278,057	Nil.
Connecticut Mutual.....	Hartford, Conn.....	1816	46,163,497	39,104,875	7,058,622	119	15,285,906	66,618	183,414,408	"
New York Life.....	New York City.....	1813	33,163,715	29,082,742	4,080,973	123	20,052,111	45,421	127,748,478	"
Mutual Benefit.....	Newark, N. J.....	1845	33,336,417	27,877,833	5,458,584	120	9,674,429	43,308	131,816,985	"
Equitable.....	New York City.....	1859	30,872,371	20,231,141	4,641,233	118	25,020,377	48,736	173,650,690	\$100,000
Atna.....	Hartford, Conn.....	1853	25,194,554	19,275,262	5,919,292	121	9,557,263	56,987	87,485,555	150,000
Northwestern Mutual.....	Milwaukee, Wis.....	1857	17,995,862	14,302,501	3,693,361	126	12,575,829	36,456	67,493,191	Nil.
New England Mutual.....	Boston, Mass.....	1855	14,489,646	11,834,568	2,655,078	123	7,556,456	20,212	58,910,326	"
Manhattan.....	New York City.....	1850	10,045,613	8,122,018	1,923,595	125	3,404,967	12,608	38,912,758	\$100,000
Penn Mutual.....	Philadelphia, Pa.....	1817	5,896,602	4,767,673	1,128,929	124	6,959,272	10,613	31,655,391	Nil.
Massachusetts Mutual.....	Springfield, Mass.....	1851	6,408,782	5,327,410	1,081,366	121	3,028,093	14,458	33,898,463	"
Germania.....	New York City.....	1880	7,910,108	6,811,642	1,098,466	116	3,653,174	20,266	34,651,373	\$200,000
Provident Life and Trust.....	Philadelphia, Pa.....	1865	3,573,892	2,626,817	947,075	137	3,850,588	6,805	20,817,100	500,000
Home.....	Brooklyn, N. Y.....	1880	4,750,822	3,842,234	887,588	123	1,687,767	9,946	19,402,744	125,000
Phoenix Mutual.....	Hartford, Conn.....	1851	12,768,417	9,881,332	2,887,085	100	4,510,677	27,775	52,413,982	110,000
United States.....	New York City.....	1850	4,893,331	3,942,973	840,358	122	4,407,572	10,308	20,853,692	250,000
Washington.....	New York City.....	1820	5,173,278	4,386,685	786,593	118	2,894,325	10,899	24,346,506	125,000
Union Mutual.....	Montpelier, Vt.....	1818	2,074,807	1,296,555	778,252	164	1,111,151	4,484	9,440,381	100,000
Union Mutual.....	Augusta, Maine.....	1818	8,099,634	7,407,488	692,146	110	8,296,745	20,414	40,679,291	Nil.
Travelers'.....	Hartford, Conn.....	1863	2,908,282	2,340,592	568,700	124	4,400,306	10,892	19,140,394	"
Berkshire.....	Pittsfield, Mass.....	1851	3,255,521	2,738,505	470,926	118	2,123,305	5,531	12,531,015	\$25,500
Kiekerbocker.....	New York City.....	1853	6,910,471	6,187,451	423,320	107	2,136,251	9,590	21,085,703	100,000
Globe Mutual.....	New York City.....	1864	4,308,652	3,970,624	419,928	111	4,057,275	10,994	20,913,021	100,000
John Hancock.....	Boston, Mass.....	1862	2,754,843	2,425,408	329,435	111	1,820,810	5,391	16,365,739	Nil.
State Mutual.....	Worcester, Mass.....	1841	2,081,363	1,722,368	358,995	121	871,900	4,835	10,360,271	"

STATISTICAL TABLE,

SHOWING THE NUMBER AND AMOUNT OF POLICIES IN FORCE, GROSS ASSETS, GROSS LIABILITIES, AND SURPLUS OF LIFE INSURANCE COMPANIES TRANSACTING BUSINESS IN THE STATE OF NEW YORK, FROM THE YEAR 1859 TO 1876, BOTH INCLUSIVE, COMPILED FROM OFFICIAL REPORTS OF THE NEW YORK INSURANCE DEPARTMENT.

Year.	Number of Companies.	Number of Policies in Force.	Amount of Policies in Force.	Gross Assets.	Gross Liabilities.	Surplus as regards Policy-holders.
1859.....	14	49,608	\$141,467,977.82	\$20,536,084.58	\$15,494,933.44	\$5,071,148.14
1860.....	17	56,016	163,703,453.31	24,115,080.85	17,139,873.46	6,955,813.39
1861.....	17	57,202	164,236,052.44	25,070,367.04	18,273,402.40	6,801,964.64
1862.....	18	65,252	183,902,577.43	30,123,351.75	23,791,458.70	6,331,893.05
1863.....	22	98,095	267,638,677.22	37,898,190.10	28,965,133.70	9,173,056.40
1864.....	27	143,729	395,703,054.77	49,027,297.40	34,718,230.96	14,309,066.74
1865.....	30	209,392	580,882,253.45	64,232,123.24	49,341,480.26	17,800,923.98
1866.....	39	305,390	855,103,877.24	91,587,027.97	65,588,522.76	25,998,505.21
1867.....	43	401,140	1,161,729,776.27	125,348,951.40	88,507,422.30	36,841,529.04
1868.....	55	537,394	1,528,984,685.32	175,202,329.71	135,806,958.19	39,455,371.52
1869.....	69	656,372	1,836,617,818.97	227,767,925.57	180,813,971.33	47,453,054.21
1870.....	71	747,807	2,023,884,955.00	239,520,440.76	221,032,145.22	48,488,294.54
1871.....	68	785,390	2,101,461,894.00	302,558,199.23	254,551,781.19	48,006,418.04
1872.....	59	801,444	2,114,742,391.00	335,168,542.70	288,327,106.78	46,841,435.92
1873.....	56	817,081	2,089,027,178.00	360,140,684.49	311,550,927.02	48,589,753.87
1874.....	50	799,334	1,967,234,230.00	387,281,896.81	328,392,551.70	58,889,345.11
1875.....	45	774,625	1,922,043,149.00	403,142,981.58	342,330,452.85	60,812,028.72
1876.....	38	706,179	1,755,995,190.00	407,406,382.53	346,279,780.43	61,126,552.07

New York Life Insurance Report for 1876.

By the courtesy of Mr. John F. Smyth, the Superintendent of the Insurance Department for the State of New York, we are in receipt of his life insurance report for 1876, and are enabled to present the following valuable information :

On the 31st of December last the number of New York companies and other companies doing a life insurance business in that State, amounted to 38, insuring 706,179 policies and the sum of \$1,735,995,190. Their gross assets were \$407,406,382.53, and their gross liabilities, excluding capital, \$346,279,780.46. The surplus as regards policy-holders was \$61,126,552.07. The decrease in relation to the business of 1875 was as follows : On number of companies doing business in New York, 7 ; on number of policies in force, 11,607 ; on amount of such policies, \$57,664,470. The increase in

the same relation was on assets, \$4,263,350.95 ; on liabilities, \$3,948,827.60 ; and on surplus, \$314,523.35. It will be seen, therefore, that, notwithstanding a diminution in the volume of business, attributable no doubt to the discredit cast upon life insurance in general by the failure of particular companies, the position of the policy-holders has not been at all weakened, but, on the contrary, has gained a slight accession of strength. The amount of policies issued in 1876 was \$232,665,489, and there is an aggregate of \$123,652,153 for lapses and \$84,548,242 for surrenders. The death losses were \$22,702,740, and the ratio of amount of claims to net amount of policies is 1.30. The ratio of net assets to the risks in force is \$22.96.

The following statement, extracted from one of the statistical tables, will give an account of the life insurance companies that have retired, voluntarily or involuntarily, from business in New York State, from 1875 inclusive to May 9th, 1877 :

NEW YORK COMPANIES.		
Name of Company.	Ceased.	Cause.
Merchant.....	May, 20, 1875.....	Re-insured in Globo, of New York.
North America.....	July 1, 1875.....	Closed by Attorney-General. Now in receivership.
Continental.....	October 25, 1876.	" " suit. " " "
Security.....	Dec. 24, 1876.....	" " Attorney-General. " " "
American Popular.....	April 20, 1877.....	Notified to discontinue.
Atlantic Mutual.....	May 9, 1877.....	" " " Judicial decision still pending.
COMPANIES OF OTHER STATES.		
Republic, of Chicago.....	Jan. 1, 1875.....	Certificate not renewed. Now in receivership.
Teutonia, " ".....	Aug. 13, 1875.....	" " revoked. " " "
Piedmont and Arlington, Richmond, Va.	March 6, 1876 ..	" " "
Alliance Mut., Leavenworth, Kan.	Jan. 1, 1877.....	" " not renewed. Re-insured in Pacific Life.
Missouri Valley.....	" ".....	" " " "
New Jersey Mutual, of Newark...	Jan. 30, ".....	" " revoked. In receivership.
Toledo Mutual.....	Feb. 15, ".....	" " "
Life Ass'n of America, St. Louis...	April 9, ".....	" " "

The table from which we have compiled the next preceding exhibit closes the statistical tabulations of the report—and our abstracts from this are designed to furnish a general survey of the situation. It will be seen that so far from being alarming, as the public have been led to suppose by inexpert commentators, it is encouraging in the highest degree. The volume of business, it is true, has sustained a slight diminution, but the security to the policy-holders has increased. Of fifty life insurance companies doing business in New York, on the 1st January, 1875, fourteen, as shown by our extract, have since been ejected from that State either by legal process or by revocation of authority. Except perhaps the Continental and the North America, there is not one of the discredited companies which ever possessed a place in the confidence of the community in general, and although the results of their failure will be disastrous to many individuals, the amount of pecuniary loss involved is quite insignificant in relation to the surplus of the remaining companies, and to the benefits that have been conferred by the business in the aggregate. "The entire ascertained loss to policy-holders," says Mr. Charlton Lewis, "by the failure of life insurance companies doing business in New York during the last generation, has not been so much as the surplus income of the existing companies for three months."

The thirty-eight companies reported by the New York Department, for, 1876, show

an income of \$96,358,583, and an expenditure of \$76,618,182—the excess of income being therefore \$19,740,401. It is needless to say that the New York statements, as exhibited in the Superintendent's report, represent substantially the business of the United States. In the present number we publish a table compiled from the New York report, showing the position of twenty-five companies doing business in that State on the 31st of December last.

The Union Mutual Life Ins. Co. of Maine.

This company, which was organized in 1849, is entitled to a prominent place in the confidence of the community, and we have much pleasure in giving publicity to their statement as it appears in the report of the New York Insurance Department for 1876. The amount of their assets is \$8,099,634, and of their liabilities \$7,407,688, thus showing a surplus as regards policy-holders of \$691,946. Their ratio of assets for every dollar of reserve is \$1.21. The total number of policies in force on the 31st of December, 1876, was 20,444, insuring \$40,979,204. The financial condition of this company has recently been passed upon by the Insurance Commissioners of Maine and Massachusetts, and their estimate of the value of the assets exceeds that of the New York Superintendent by about \$30,000. The valuation of outstanding policies on the 4 per cent.

reserve, as made in Maine and Massachusetts, reduces the surplus of the company to \$143,716, and in their published statement they do not claim the larger amount which has been given them by the New York Department on the $4\frac{1}{2}$ per cent. basis, but they can safely assume the more liberal valuation as one that has been applied to all the principal life insurance companies in the United States.

The statement published by the Union Mutual is more than fair. So far from claiming anything that is doubtful, it surrenders much to which it is equitably entitled.

The Romance of Life Assurance— Its Trials, Tribulations, and Tragedies.

(Continued from last Number.)

"The earth hath bubbles, as the water has,
And these are of them."

Macbeth.

THE FIRST LIFE ASSURANCE POLICY, Of which there is any authentic record, was issued on the 3d of September, 1697, by a merchant in London to Sir Robert Howard. The transaction is verified by the legal annals of the period, as this policy, by a remarkable coincidence of circumstances, was passed upon by the first judicial decision on the subject of life assurance. Sir Robert Howard died on the 3d of September, 1698, the first anniversary of the policy's existence, and the merchant refused payment on the ground that it had expired on the previous day. Lord Chief Justice Holt decided otherwise by excluding the day of the policy's date, and ordered payment of the loss. Modern policies are generally issued in conformity with this decision by stipulating for a payment of premium on the anniversary of the policy's birthday. This trial is remarkable not only for establishing a principle of practice, but as fixing in the memory the period at which the business of assurance passed from private hands into the control of monetary organizations.

THE AMICABLE SOCIETY

Is generally supposed to be the first com-

pany organized for the assurance of lives. This institution, however, which was chartered by Queen Anne in 1706, had been preceded in 1698 by the Mercer's Company, which was organized on a plan for assuring life annuities, instead of a fixed sum, to the nominees of the assured. The scale of this company's valuations was so fallacious that after an experience of about fifty years, it was compelled to apply to Parliament for assistance. This assistance was granted to it, and the company still exists as one of the most prosperous in Great Britain.

The Amicable, with no better scientific light or sounder principle of action, survived its period of experiment and empiricism, and passed into old age. But after an honorable career of about 160 years, it found itself unequal to the improved methods and requirements of modern assurance. About the middle of the last decade, although perfectly solvent, it was absorbed by the Norwich Union Life. There were at that time about 1,000 policy-holders, all of whom, with a very trifling exception, agreed to the transfer.

The Hand-in-Hand, the oldest insurance company on record, is about ten years older than the Amicable, and the Sun Fire and Life about four years younger. Both these companies have kept pace with the improved intelligence of the times, and are still doing an active and profitable business. The Sun, which was founded by John Povey, an inventor of a fire annihilator, and otherwise a very remarkable man, is, we believe, the most extensive fire insurance company in England.

THE BUBBLE ERA,

So-called, began almost coevally with the foundation of the companies that have been mentioned. The reputation of such companies as the Amicable, the Mercers, the Royal Exchange, and the London Assurance, was used by hundreds of decoy projectors to give an air of stability to their imitative operations. Then ensued a carnival of cupidity and credulity that has hardly been transcended in tragico-comical incidents by the famous Mississippi scheme in Paris, the South Sea bubble in England,

or the railroad and mining manias of the last and the present generation. The certainty of computation that belongs to the system of life assurance had hardly been suggested, and it does not seem to have been at all recognized even by the least inexpert of the respectable companies. The idea that the caprices of chance could be applied financially to all the ordinary affairs of life fascinated the popular imagination, and stimulated the gambling propensities that are inherent in human nature. The people, with their proverbial willingness to be deceived, fell easily into the jaws of the cormorant projectors. No scheme was too absurd to be countenanced, and supported by a shoal of silly subscribers. The eager and persistent solicitation, which is a marked feature in the assurance schemes of the present day, was entirely unneeded by the bubble-mongers of that maniacal period. "Policies and premiums," says our author, "were in the mouths of all. It was the Eldorado of the London craftsman, the alchemy of the needy tradesman. The philosopher's stone seemed placed before the class that least dreamed of grasping it; but it was the realization of the legend in which the dreamer awakes and finds his golden pieces are turned to slate; it was the arousing of Analschar from his gorgeous vision."

LITTLE GOES AND BITES

Are the terms which were afterwards employed to characterize the systems, if systems they can be called, of these spurious speculators. The insurance of lives, merchandise, and other objects of legitimate enterprise, was the least part of the business which they proposed to perform. The "Fortunate Office" undertook to provide marriage portions of about \$1,000 for those who paid half a dollar a quarter, and the project succeeded so well that many others were opened in the same line. The "Baptismal Office of Assurance," for a similar pitiful consideration, agreed to furnish \$1,000 on the birth of every child who might be represented by such payment. The nomenclature of some other schemes is so grotesque that one can hardly conceive of their

being adopted into the serious consideration of the community. "Assurance from Lying," "Rum Insurance," "Assurance from Purgatory," and "Assurance of Female Chastity," are among the schemes that were prominently paraded in well-written prospectuses, and placarded in office windows and on every unoccupied spot where there was a "coign of vantage." A Mr. William Helmes is the genius to whom society is indebted for the last-named conception. The records of his office, however, have not been retained, and science is therefore debarred from forming a valuation of female chastity upon actuarial principles.

MOST NOTABLE FOR AUDACITY, and for contempt for the popular intelligence, was the scheme of an old man named Le Brun, who, having been a pirate in his youth, must have found a congenial occupation in the business of the period. The "Office for Granting Assurance and Annuities to Everybody," of which he was the sole proprietor, undertook to grant an annuity equal to twenty times the amount of premium paid, "as soon as a sufficient number had subscribed." Of course the "sufficient number" never could be found, and the worthy Mr. Le Brun reaped the full reward of his ingenious contrivance. At length, for the purpose of satirizing the public credulity, and of putting a stop to the nefarious operations of the "biters and little-goers," some gentlemen, under fictitious names, advertised for a subscription of one million of pounds, to be used for purposes not to be explained to the stockholders until the full amount should have been subscribed. A large amount was paid up under these conditions, which was subsequently returned to the subscribers without deduction, but with the explanation that the whole affair was a hoax. What reason failed to do in the course of years was accomplished by ridicule in a single day, and for some time the people had a rest from the persecutions of the impecunious projectors. For the further protection of the public, the "little goes and bites" were prohibited by act of Parliament, under a heavy penalty. The bubble-mongers had dipped extensively into

the pockets of all classes, but the poor, as usual, were the heaviest losers.

THE GULLIBILITY OF THE GUDGEONS, and the palpable frauds with which their hooks were baited, were prolific subjects of satire for the humorous essayists of the day. Addison lightly alludes to them in his inimitable vein of polished humor, and in a paper called "Dying for Love," composes a burlesque bill of mortality, among the items of which is the death of "T. S., wounded by Zelinda's scarlet stocking as she was stepping out of a coach," and other similar pleasantries concerning ladies' fans and stockings, which seem to have been relished as very good wit by the readers of the *Spectator*. Steele, also, used his trenchant pen in satiric denunciation of a well-known bubble-monger of the period, and the garreters of Grub Street, that classic region of half-famished poets and pamphleteers, found employment in puffing the projectors who paid them, and in ridiculing those who refused to do so. These effusions were generally in the form of rhyming couplets, and were not deficient in epigrammatic point, as may be seen by the following specimen :

Come all ye generous husbands with your wives,
Insure round sums on your precarious lives,
That, to your comfort, when you're dead and rotten,
Your widows may be rich when you're forgotten.

(To be continued.)

The Republic Life Insurance Co. of Chicago.

This company has ended its "strange, eventful history," and is now waiting for interment at the hands of a receiver. A record of its virtues, to be inscribed on its tombstone, has been drawn up by Robert M. Woods, chief clerk of the Insurance Department of Illinois, in a report to the auditor of that State. But, as we have been told that nothing lies like an epitaph, we are curious to know whether the proverb has been verified or falsified by the official laudator.

"The present management," says Mr.

Woods, "has exhibited fairness, integrity, and economy in conducting the business," etc., and we now propose to examine the Republic's record for the purpose of confirming or denying the justice of the eulogy.

The Republic was organized in 1870, and seems from the start to have entered on a career of wholesale wrecking. Its first step was to absorb the remains of the Great Western Life, and in pursuance of the same course of policy, it had obtained up to 1874 the manipulation of some seven or eight insolvent or failing companies. Among these was the California Mutual, whose present policy-holders are, or should be, protected by the guarantee notes of the California Mutual stockholders, as it is provided by Section 441 of our Civil Code that such notes cannot be surrendered until the corresponding liabilities are fully satisfied. In 1874 the Republic's outlook was not at all brilliant. The absorption of wild-cat companies was never designed, of course, for the benefit of the policy-holders, but it was found that the process would not even pan out to the profit of the managers. These gentlemen, then, as a further protection to themselves, entered into an arrangement with the National Life of Chicago, which arrangement we have no hesitation in characterizing as an unmitigated fraud. By this contract the Republic purchased at a premium a million dollars of the National's unmarketable stock, and although the two companies were kept legally separate, the officers of both transmigrated from one to another, as their interests might require, in the following manner, which would be extremely ludicrous, were the consequences not so serious to the deluded victims. To keep the matter in the memory, we present the official permutations in a tabular form :

President	National	was	Secretary	Republic.
Secretary	"	"	Vice-President	"
Vice-Pres.	"	"	President	"

It can easily be conjectured that under the operations of this pig-and-pork *alias* system the policy-holder had as little chance as a cat in hell without claws. President Pig of the National, endeavoring to yank

the policy, and Secretary Pork of the Republic, *alias* said Pig of the National, endeavoring to defend it. Accordingly, we find that of 8,500 policies in force in 1874, insuring about \$20,000,000, there are now but 3,458, insuring only \$5,000,000, the difference having been frozen out by the porcine metempsychosis before alluded to.

The Insurance Department of Illinois reports the Republic's admitted assets to be \$1,323,403.29, and the liabilities, exclusive of capital, \$1,456,609. These assets, be it noted, include, and are almost entirely made up, of the \$1,000,000 of the National's stock, purchased by the Republic at a premium, at a time when it was unmarketable. The Department states that it is unmarketable now, a most anomalous condition for the stock of a company which is supposed to be in good standing. The transactions of the National with the Republic in the premises would have reflected discredit on the former had there been no interfusion of directors and officers, and it is very unsatisfactory to think that the mismanagers of the Republic are still in the management of the National Life.

The "Monitor" and "In Process."

Our oracular contemporary is rather riled at the witticisms of our lively correspondent whose *nom de plume* appears in inverted commas at the head of this article. The communication of "In Process," which will be found in our May number, is a criticism of the answer given by the *Monitor* to questions propounded from this city in regard to the well-known arbitration case between the French Corporation (*La Caisse Générale*) and some other insurance companies. It cannot justly be said that the *Monitor* is "nothing if not critical," but it is eminently adroit in the uses of satirical controversy. On this occasion, it satirizes the metaphysical personality of our correspondent so strenuously, that we are led to suspect the merits of its argument. "In Process," who thus is not only witty in his own person, but a cause of wit in others, is supposed by the *Monitor* to be "in process"

himself; and that journal hazards the prediction that, when he shall have arrived "at the point where he may be called manufactured, finished, completed, and done brown, he will be a useful man, etc." The extreme youth of our unfortunate correspondent is also assumed in the term "embryonic friend of the COAST REVIEW," and he is then gently "let down" with that sort of sneer which senility is apt to cast on a juvenile opponent who may be "getting the best of it."

At the risk of being itself characterized as very underdone pie-crust, the COAST REVIEW ventures to suggest that the *Monitor* has not entirely succeeded in demolishing its "embryonic friend." The objection of its E. F. to the word "unmanufactured" as not being in the dictionary is not, it is true, felicitously advanced. Whatever may be the fact in regard to this exclusion, the word certainly exists in the popular understanding, and is therefore sufficient to convey an intelligible idea. But the witty protest of our correspondent against construing wood as unmanufactured tooth-picks, and corn and rye as unmanufactured whiskey, is very good as a negative illustration, when an attempt is made to import into the policy of the French Corporation an construction which is logically shut out by the written terms of that contract. The decisions quoted by the *Monitor* do not run "on all fours" with the case of the French Corporation. In all the matters on which these decisions were given—the blacksmith case, the starch case, the watchmaker's case, and the hog case—the policies, according to the *Monitor's* showing, were written on "stock, manufactured, unmanufactured, or in process," or in such general terms, while the policy of the French Corporation stated specifically what unmanipulated materials it was designed to cover, viz: "cream of tartar, soda, and saleratus." In this specification, whatever was not included was excluded. Admitting, in deference to the decisions recorded by the *Monitor*, that yeast powder, which becomes yeast powder only by being manufactured, can in the nature of things exist in a totally unmanufactured state, the

unmanipulated materials which could come within this construction, are expressly limited by the terms of the French policy. The consent of the corporation to extend the limit after loss, would have been a precedent the dangerous tendency of which it is easy to perceive. The policy, had it been so required by the insured, at the time of his application, would probably have included flour (which was the cause of the controversy) and all other materials within the same category of hazard; but as these additional articles were *not* inserted, it is not fair that the corporation should pay for them. The insured accepted the policy with a clear limitation in regard to the raw material, and it is a reasonable inference that he was satisfied to do so, or that he neglected to examine the matter. It is a subject of constant complaint by the courts that in cases of disputed contracts they are called upon to supply conditions which have been omitted by the ignorance or the negligence of the parties concerned. The policy of the French Corporation is, we think, sufficiently explained by its own technology. In the uncertainty that pervades all judicial decisions, we do not pretend to say how the matter would be viewed by the courts; but in our opinion, the position of the *Monitor* is not so strong that it can afford to jeer at the weakness of its antagonist.

Scalping as a Fine Art.

THE PUBLIC LOSE \$20,000 BY SHYSTER
BROKERS.

"Scalping" is a word of Chicago coinage, which has been recently admitted into the insurance lexicon. It is used to express a shade of shysterism very marked in the city of its invention, and which finds a counterpart in San Francisco and other places on this coast. Except in the practice of skinning his victim, the Chicago scalper does not imitate the primitive habits of his Indian prototype. The former wears purple and fine linen, drives fast horses, quaffs champagne, and lives otherwise luxuriously. Occasionally, he complies further with the customs of civilization, by compromising

with his defrauded creditors on a very minute ratio to the sum demanded, and then he goes on his way shystering and to shyster. The law seems powerless to touch him, or he has skill enough to steer constantly to windward of the legal craft.

A characteristic type of the genus "scalper" is presented by the *Chicago Times* in the persons of Lull & Farmer, a couple of fast and enterprising young men doing business in that city of multitudinous crookedness. Their mode of warfare was very much the same as that denounced and satirized by the *Coast Review* in the Cheap-John article of the last number. These gentlemen were not authorized agents of any particular company, but took their plunder wherever they could find it. Of course, as they never intended to account for the premiums collected, they could afford to take any line that might offer on the easiest terms. As they affected principally the risks which are termed extra-hazardous, they had little difficulty in regulating a margin that should not excite suspicion. The confidence of their victims is represented by the good round sum of \$20,000, which they had collected and failed to pay over to the insuring companies. Under the recent decisions, which recognize the broker only as the agent of the insured, these companies are protected, and the loss falls entirely on the policy-holders or on such agents as may have stood between them and the scalping brokers.

It is said that Messrs. Lull & Farmer, who had similar experiences about two years ago, offer to appease their irate creditors with 50 cents in the dollar, which is very kind of them, under the circumstances of the case.

With a change of names, and a reduction of the amount involved, the same story might be told of many a Cheap-John broker in this community. Premeditated dishonesty often goes concurrently with the reckless disregard of prudential principles, and where this is not the case, that recklessness begets an indifference to the proper and punctual settlement of accounts. We beg all property owners and their brokers, to

read attentively the story of Lull & Farmer. Underwriters also, who, under the decisions referred to, can protect themselves from these scalping operations, should do something to protect their customers; and where the "go-between" broker is not of acknowledged standing, they should insist on collecting the premiums directly from the insured.

The National Life Insurance Company of the United States of America.

The man who invented the term "wrecker" in its application to life insurance deserves well of mankind. If his name could be found, it should receive honorable mention in the records of the profession. He had that proper conception of the fitness of words that belongs to genius. There can hardly be a juster analogy than that which exists between the act of a captain who destroys his ship, in order to share in the plunder of the cargo, and the proceeding of an insurance officer, who depreciates the property of a policy-holder by a peculating amalgamation. The combination that was effected between the now insolvent Republic Life Ins. Co. and the National Life we do not like to characterize as dishonest, but there is hardly any other term that will apply so well. The facts have been narrated in an article on the Republic Life Ins. Co. in another part of this number, and they are now recapitulated as follows:

The available assets of the Republic were used to purchase at a premium the unmarketable stock of the National, a stock that, according to the report of the Illinois Insurance Department, is unmarketable at the present time. The management of the two companies was then virtually amalgamated in the manner described in the article referred to, and one of the wrecking managers of the Republic is still in the management of the National Life. The *National*, a paper published in Washington by the National Life, notifies the public that the affairs of the two companies are entirely distinct, and seems anxious that the former

connection should not be remembered. The National Life may well desire to obliterate this portion of its record, which cannot fail to shake its standing in public confidence. The right to profit by the malversation of the Republic's managers may, under a very loose code of honor, be open to question, but the admission of those managers, or any one of them, into the National's management, is condemned by the common rules of the lowest morality.

The annual statement of the National Life for 1876, which is found in their aforesaid paper, exhibits assets to the amount of \$4,017,101.54. This item is reduced by the report of the New York Department to \$3,782,628.72, the difference, consisting of loans, furniture, agents' balances, commuted commissions, and bills receivable, not having been allowed. There is certainly, however, some value in these rejected assets. The liabilities by the National's account are, exclusive of \$1,000,000 capital, \$2,598,268.19, and they are increased by the New York report to \$3,123,008.19. The policyholders' surplus, therefore, is by the National's statement \$1,418,833.35, and by the more rigid valuation of the New York Department only \$659,620.53, which sum, in relation to the capital of \$1,000,000, shows a deficiency of \$340,379.47—an impairment of about 34 per cent. The valuation on a 6 per cent. reserve, which is allowed by the insurance departments of some Western States, and which has been used by the National to bring out the larger surplus, is not admissible in the present day of low and decreasing interest, and is properly rejected by the New York and Massachusetts Departments, the valuation in the former being $4\frac{1}{2}$ per cent., and in the latter 4 per cent. Under the insurance law of California, which stands on the basis of $4\frac{1}{2}$ per cent., the capital of the National is not impaired to such an extent as to cause a revocation of its license; but should the future exhaustion of such capital continue in the previous ratio of decadence, the company cannot long continue its agency on this coast.

The National Life was organized in 1868, and is still in its early days of experimental

probation. It does not seem that the statement of prosperity put forth by the National Life is endorsed by the shrewd and far-seeing financiers of the country. The stock of that institution, which now constitutes nearly the entire assets of the insolvent Republic, is being offered in the market with "no takers." Capital, which is very sagacious, has decided to let it alone, evidently refusing to rely on the \$1,400,000 surplus which the National claims to possess. We think that the statement of the National, put forward as it is without the exceptions and limitations which we have urged against it, is not calculated to give the public a fair idea of the company's situation. The suppression of a truth which it is essential to know, is as unjustifiable as the fabrication of a falsehood. The learned and reverend doctor who presides over the National's interests on the Pacific Coast is, of course, aware of this common canon of morality, and he is entreated to give it practical effect with as little delay as possible.

Santa Rosa Fire Department.

The City of Roses is well provided with the appliances for preventing and extinguishing fires. The fire department, which is a volunteer force, numbers fifty well-disciplined men, who can be relied on in case of emergency. There is also a hose company. The machinery and gear consist of one Hunneman hand engine and 1,000 feet 3-inch hose, in serviceable order. The water supply, which is ample for all purposes, is from the creek and springs of Santa Rosa. The reservoir is about two miles from the business centre. The pressure is 55 lbs. to the square inch, and the size of the mains in the principal streets is 9 inches. There are also twelve hydrants in the main streets, placed apart at convenient distances. Santa Rosa is a well-built city, with spacious thoroughfares, and contains about 6,000 people. The fire ordinances prohibit the erection of stove-pipe chimneys, but have not yet established any fire limits excluding wooden buildings. The provisions of the fire ordinances are strictly enforced.

The Imperial, Northern and Queen.

The agency of the Pacific department of these three substantial companies has been consolidated in the hands of Mr. Wm. Lane Booker, Messrs. Falkner, Bell & Co., the late managers of the Imperial and the Queen, having resigned their position. Mr. Booker, as is well known, was formerly agent of the Northern Assurance alone, and has succeeded in placing that company to the best advantage before the public of the Pacific Coast. In Great Britain it occupies a foremost place among the institutions of similar character. From a statement published in San Francisco, showing its condition on the 31st of December last, pursuant to the law of California, we find that its capital is \$15,000,000; paid-up capital, \$750,000; and its assets \$10,975,596, part of which is applicable to its life insurance business. The liabilities on fire and life together were \$7,406,812, of which \$6,219,076 is stated as on account of life; thus showing a net surplus over all liabilities of \$2,718,784. The net amount of fire risks written in 1876 is \$656,943,000, and the corresponding premiums \$2,017,888.

Referring to a notice of the Imperial and the Queen, published in our May number, we find that the available assets of the Imperial are \$7,770,090, against which are \$1,768,991 for unpaid losses, reinsurance reserve, bills payable, and \$3,500,000 paid-up capital, showing a net surplus of \$2,501,099. The assets of the Queen are \$2,843,826, and the liabilities, including \$900,175 paid-up capital, \$1,631,077, thus leaving a net surplus of \$1,212,749. It will be seen by the above that the combined *net* surplus over capital and all liabilities of the companies is \$6,432,622.

Insurers in the combined agency of Mr. Booker will receive a joint policy of the three companies, which is as good an instrument as could possibly be desired. It is an element of additional advantage to the agency of the three companies that it has been placed under the immediate management of Mr. Robert Dickson, formerly the manager of the Pacific branch of the

London Assurance Corporation, of which Cross & Co are the agents. Both Mr. Lane and Mr. Dickson have ingratiated themselves with the community by a uniform courtesy of manner, and the companies represented could not have a better *personnel* than is presented by these two gentlemen.

We trust the sub-agents of the Imperial and Queen will still continue to act for the three combined companies.

There is no need to follow the late managers of the Imperial and Queen to the new companies now represented by them, and there could be no advantage in doing so, as agents would find it difficult to introduce companies not known to their customers, and especially to those who have for many years been insuring with the Imperial, a company well and favorably known throughout this coast. Agents will, therefore, consult their own as well as the customer's interest by avoiding any attempt to substitute policies of companies entirely unknown to their customers, for those of the Imperial and the Queen.

The Pacific branch of the above companies is at 317. California Street, where Mr. Dixon, the manager, has fitted up very commodious, comfortable, and neat quarters.

Obituary.

The profession of insurance journalism and the insurance interests in general have sustained a heavy loss by the death of Mr. E. A. Hewitt, one of the editors and proprietors of the *Insurance Chronicle*. This event occurred on the 2d of June last, at the St. Nicholas Hotel, in the City of New York. This gentleman, at the time of his death, was only in his thirty-ninth year, and had given promise, which was in part performed, of a useful and brilliant life. His malady, we believe, was consumption, from which he had suffered during many years. Mr. Hewitt was one of the ablest writers connected with the insurance press, and his well-written articles have placed his paper, the *Chronicle*, in the foremost rank of the journalistic profession. He was also an ac-

complished scholar and a fluent and graceful speaker. Only a few weeks before his death he delivered, by special invitation, a brilliant address before the Underwriters' Convention of the South. His funeral, which took place on the 4th of June, was largely attended by the insurance interests in New York and the vicinity, and also by a numerous circle of friends from the community in general.

The Oakland Arson Case.

Samuel Walter and Sarah, his wife, may properly be classed as specially hazardous. On the night of Wednesday, the 6th of May, a fire was discovered in the basement of a building on Fifth Street, owned and occupied by the parties aforesaid. The fire was extinguished, and an examination of the premises led to the belief that it was the work of an incendiary. Mrs. Walter being the person suspected, was arrested the same night and placed in the City Prison.

At the time of the fire the Walters and every member of the household were absent, and it is stated that all the movables had been taken away, except a few articles worth altogether about \$20. It seems that the family, consisting of seven or eight persons, had for some time past been sleeping upon an old bedstead, the only piece of furniture of that description in the house. The furniture was insured for \$600, and the house for \$1,200.

Shortly after the discovery of the fire, Mrs. Walter appeared at the house, and stated that she had just arrived from San Francisco. It is alleged that her hands and part of her dress were besmeared with kerosene oil, and on further search it was found that some of the articles in the house had been saturated with this inflammable material. There were also other allegations against her of a corroborating character.

Mrs. Walter has been held to appear before the Grand Jury, under bail of \$3,000.

The Walters, we are told, were indicted for grand larceny in December, 1875, but the Grand Jury ignored the charge. Let right be done!

Mr. Jones, Insurance Manager of Falkner, Bell & Co.

Were the underwriting abilities of this individual in the direct ratio of his insolence and vulgarity, the Imperial and the Queen would have lost the services of an efficient officer by the recent change that has been effected in their Pacific agency. It may be admitted, however, on a careful survey of that person's professional antecedents, that the transfer is likely to prove advantageous to all the parties in interest. The genius of Jones is eminently Peter Funkian and would shine more brilliantly amid the strategies of a cheap auction store than in representing the interests of an insurance company. His mind, so to speak, is essentially of the retail order, and why he should have been permitted to occupy a position requiring large and liberal conceptions, is one of those perversities of destiny that can never be explained. It is true that for bulldozing a broker and bilking him of his commission, Jones has shown an ingenuity of resource almost unrivalled, but such a practice inures perhaps not at all to the pecuniary profit of his principals, and certainly detracts from their respectable reputation. Our charge against Jones, which we make on information and belief, is that he throws off the brokers who bring business to his companies and patters round among their customers in order to obtain the risks directly. On one occasion, when silver was offered him by a broker in payment of part of a premium which the broker himself had received in the same coin, Jones declined to receive it, but afterwards offered to take it from the policy-holder on condition that the risk should be placed without the broker's intervention. Such meanness as this should cause all who practice it to be tabooed not only by the brokers, but by property owners in general, for what security is there that a breach of faith to one party in the contract may not be extended to all the others?

We are satisfied that the Imperial and the Queen would have reprobated such practices, had those companies been aware of them, and if these tactics have been im-

ported into the agency which now has the good fortune to be managed by Mr. Jones it must share in the odium that will be cast upon him.

Our specific accusation against the object of this notice is a matter of commercial morality; the charge against his manner is of course a matter of taste. According to our conception, Mr. Jones is a type of the underbred, bouncing Briton, whom the ridicule of such papers as the *London Punch* is trying to imbue with a decent regard for the feelings of others. Under this process the type is refining away, and probably in time will become extinct, or Mr. Jones will be left lingering as a solitary specimen. In the latter case, we recommend that he should be secured in a museum as a study for the natural historian, or the moral anatomist.

The Insurance Agency of Hutchinson & Mann.

This long established agency, formerly known as the agency of Hutchinson, Mann & Smith, comprises the following companies, some of which are among the old institutions of the Eastern States: The Girard Insurance Company, of Philadelphia; St. Paul of St. Paul, Minnesota; Home of Columbus, O.; New Orleans Association of New Orleans, La.; People's Insurance Co. of Newark, N. J.; Revere, of Boston; Atlas of Hartford, Conn.; and Union Fire and Marine Insurance Company of Galveston, Texas. The united cash capital held by the companies whose agencies on the Pacific Coast are conducted by Messrs. Hutchinson & Mann, as will be seen in detail by a statement in another part of this number, amounts to \$2,045,650. Their aggregate cash assets are \$4,409,079, and the combined surplus as to policy-holders \$2,962,522. The business of Messrs. Hutchinson & Mann in 1876 made a good showing for the companies represented by their agency. We find by a tabular statement compiled from the official records, and published in the February number of the *COAST REVIEW*, that the percentage of losses to premiums in

regard to all these companies, with one exception, was considerably below the average of the companies in general. The showing for the companies of Hutchinson & Mann's agency are in respect to such percentage as follows :

Girard, 15.94 ; St. Paul, 27.40 ; Home, 22.84 ; New Orleans, 55.95 ; People's, 15.95 ; Revere, 0.08 ; Atlas, 18.97 ; Union, 27.04 ; making a total average of 23.03. The total average for all the Eastern companies is 33.52, and the grand total for all the companies doing business in California is 34.06.

It affords us much pleasure to say that the agency business of the gentlemen before mentioned has always been conducted with satisfaction both to their principals and the insuring public in general. Messrs. Hutchinson & Mann have just been appointed to the agency of the Trade Insurance Co. of Camden, New Jersey. The capital of this company is \$200,000, and its assets \$316,231.46. Its surplus as to policy-holders, on the 1st of January last, was \$232,902.67.

W. E. Burr, Insurance Broker and President of the Clay St. Bank.

It is to be hoped that the Directors of the Clay St. Savings Bank, notwithstanding their losses by the Pinney speculations, will reserve a small portion of the depositors' dividends for the purpose of increasing the president's salary. It is not seemly that that venerable and acute financier should be compelled to eke out a scanty subsistence by shinning round for commissions as a professional insurance broker. Besides, this profession being considerably overstocked and demoralized, Mr. Burr's retraction would be an element of improvement to it both as regards quality and quantity.

It is reported that Mr. Burr refuses loans to all borrowers who will not insure their property in companies of his selection, and that these companies are under arrangements to allow him a brokerage of 15 per cent. The brokers naturally resent this intrusion on their feeding ground, of which the pasturage at the present time is sufficiently scanty. Mr. Burr has the right to insist that the

bank's insurable securities shall be further protected by companies of acknowledged stability, but when this condition is complied with, his dictatorial interference is impolitic and oppressive. The borrowers properly wish to give the brokerage to their friends, and the prevention of their purpose by Mr. Burr is small business on his part, and an unjustifiable tax on their necessities. We hope the companies selected by Mr. Burr will refuse to allow him any further commission. Their practice hitherto in this respect is unjust to the recognized brokers, and tends to demoralize the business of insurance in general.

The Scottish Commercial Ins. Co.

The Scottish Commercial is a product of the good old city of Glasgow, a place not only renowned in Scottish story, but celebrated also, from an early period of its history, for the thrift and enterprise of its citizens. The prestige that naturally attaches to an institution connected with a commercial centre of such favorable antecedents, has been fully maintained by the operations of the company. In looking through the reports that have been published from 1870 inclusive, we find the evidences of a steadily progressing business, and every indication that the company is destined to a long and prosperous existence. The premiums written in the fire department have increased from \$267,445 in 1870 to \$1,117,002 in 1876, the latter sum representing a total risk of \$226,419,603.

The Scottish Commercial has adopted the very prudent plan of separating its fire business entire from the life business, the assets in each department being kept distinctly in the hands of separate trustees. Accordingly, the figures to which we call attention, represent only the fire business, and we have no doubt that they will be deemed by our readers to be of a very encouraging character. The Scottish Commercial has a subscribed capital of \$6,250,000, of which \$625,000 is paid up. The statement of the company, according to official records made up to December 31st, 1876, shows assets amounting to \$1,366,296, and liabilities, excluding

capital, of \$349,921. There is consequently a surplus as regards policy-holders of \$1,016,375. The total income in 1876 was \$1,095,452, and the total expenditure \$913,353. The net amount of risks in force on the 31st of December last, was \$171,662,386, represented by premiums of \$732,177. The risks written in California for last year amount to \$2,191,834, and indicate that the company has a fair share of the business of the coast. In Scotland also, and in Great Britain generally, the Scottish Commercial is regarded as among the safest and most prosperous of insurance institutions, the market value of its stock being on the 2d of June last £3 1s 6d (ex-div.) for a £1 share paid up.

It is not too much to say that for careful and economical management, the company has made one of the best of records, and that the operations of Messrs. Hart & Blair, the joint agents for the Pacific Coast, have always been conducted satisfactorily to their constituents and to the policy-holders in general. "May Glasgow flourish" is, we believe the legend attached to the armorial bearings of that ancient city, and we heartily extend the wish to the company by which her worthy characteristics are so worthily represented.

Memorable Fires in June, 1877.

Galveston, St. John's, Marblehead, are the records written in letters of flame on the tablet of elemental disasters for the month that has just passed over us. This month has been memorable, also, for other disasters, not only by fire, but by flood and hurricane, but the interest in the details of all these has been overwhelmed by the greater calamities that have befallen those Eastern cities. The fire at Galveston, Texas, preceded that of St. John's, N. B., by about twelve days, and five days later than this came the intelligence of the conflagration at Marblehead, Massachusetts. The dates respectively are the 8th, 20th and 25th. The St. John's fire is the most destructive of the three, and has entailed the greatest amount of personal suffering. A dispatch from Portland, Me., stated that women and

children were crying in the streets for bread, and that the scene was one that beggared description. Of course, everything was done that humanity could do to alleviate the immediate misery of the distressed, but the great destruction of property has left a legacy of suffering which is beyond the resources of charitable aid.

The San Francisco *Chronicle* reported forty blocks laid in ashes and an estimated loss of about twenty millions; also a great sacrifice of human life. The statistical particulars of all these disasters have hardly been authentically compiled, but in another part of this number we will present a record of them from such information as can be obtained. This fire, which in proportion to the population and their means of recuperation, has probably been more disastrous than that of Chicago or Boston, broke out in a small building about 2 o'clock in the morning. A strong North wind was blowing at the time which rendered useless all attempts to keep it within bounds. Many of the buildings were very old and of a most combustible nature, but even structures of brick and granite were compelled to succumb to the fierceness of the flames.

The Galveston Fire, the details of which have in a measure passed away from public attention under the absorbing interest of the greater catastrophe at St. John's, resulted in a loss of from two to three millions. The insurance interests have been seriously affected, as will be seen in the list which is published in another part of this number.

The fire at Marblehead began in a stable of a hotel, the Hathaway House, on the morning of the 25th of June. The hotel was speedily destroyed, and the fire spread with alarming rapidity to a block of wooden buildings. Seventy-two, buildings, including forty dwellings, are said to have been consumed, also the Eastern Railroad depot. This road lost also six or seven passenger cars and a number of freight cars. The total loss by this fire is estimated at \$550,000.

At this time of great demoralization in rates among the fire insurance companies in general, the loss by these three extensive fires comes upon the underwriters with aggravated force, and will probably lead to many suspensions and failures.

The Commercial Union Insurance Company, of London, England.

This substantial Company is entitled to stand in the foremost rank of insurance institutions, and this position has been conceded to it both in England and America. The figures, which we abstract from its official statement to the 31st of December, 1876, contain elements of great strength. The capital stock paid up was \$1,250,000. The assets, \$8,101,671.02. The liabilities, \$4,692,948.15; and the surplus as regards policy-holders, \$3,408,722.87. The income in 1876 was \$4,563,151.80, and the expenditure, \$3,647,423.90, showing a surplus of income over expenditure of \$915,727.90. The net cash received for fire premiums was \$3,791,495.10, and the amount paid for fire losses, \$2,302,040.57. The Pacific department is, and has been for a long time, under the efficient management of Mr. John Rae Hamilton, whose office is at No. 221 Sansome Street.

Failure of the Sacramento Water Works.

The recent failure of the Sacramento (known as the Holly) Water Works, is creating intense excitement among the inhabitants of that city, and considerable anxiety on the part of underwriters. A temporary stoppage occurred on the night of Sunday, the 24 of June, and Mr. H. H. McWilliams, the assistant engineer of the Holly Works, has stated to an interviewer of the *Record-Union*, that at present he would not dare to run the works to their full capacity for even domestic purposes. The other statements of Mr. McWilliams are also of a startling character, and, with every allowance for the excitement under which they were made, reveal a condition of affairs that is sufficiently alarming. He thinks that under the present disabled state of the works, an ordinary fire could be extinguished, and we are therefore led to infer, that beyond this, the machinery of the city's water supply is utterly inadequate.

The break in the machinery which caused the stoppage referred to, was caused by running the works at too great a speed, from which there resulted a crystallization of the iron. This rate of speed, which is described as too great, is, it seems, necessary to keep up the proper pressure for domestic purposes, the pumps in use being defective, and unable to give that pressure at an ordinary rate of velocity. For fire purposes, of course, this velocity has to be increased still further, and the liability of breakage, as Mr. McWilliams says, "increases in the same ratio," the greatest danger of rendering the machinery useless occurring at the time when it is most vitally required.

Without following the assistant engineer through all his technicalities, we read enough to believe that the water resources of Sacramento could not have been, and cannot now be relied upon in the event of an extraordinary fire. This is a damaging record for Sacramento, and tells more forcibly when it is remembered that only a few months back, the authorities of that city denounced the rates of insurance as extortionate in view of the superior facilities for extinguishing fires, which they claimed to possess. The underwriters might have pointed out to the authorities the weak points that now have been developed, but so far from being invited to do so, they were repelled by the antagonistic tone that had been taken in regard to them. When underwriters offer suggestions on subjects like that in the premises, they are generally taunted with endeavoring, without expense to themselves, to diminish a risk which they are fully paid to cover. It is not remembered that a fire loss, although paid for by the underwriter, is a waste of the general wealth of the country, and that therefore it should be guarded against as much as possible by public policy and legislation.

It is the interest of all property owners to urge this consideration on the attention of their municipal authorities. A fire loss in a community detracts from every man's share of the general wealth, both by destruction of the property, and by increase in the rates of insurance.

The London Assurance Corporation, of London, England, and the Western Assurance Company, of Toronto, Canada.

The London Assurance Corporation is one of the oldest and most substantial companies in the world. The date of its establishment, 1720, carries us back to the earliest annals of insurance, and to one of the most eventful periods of English history. Through all the vicissitudes of more than a century and a half, it has maintained a reputation for skillful underwriting and for equity in the adjustment and satisfaction of its liabilities. The amount of capital stock subscribed is \$4,482,750, of which \$2,241,375 is paid up. Its total assets are \$15,146,094, from which, if there be deducted \$8,544,227 on account of the life and marine departments, there will remain a balance of \$6,596,867 applicable to fire risks. The liabilities on the last-named account are, exclusive of capital, \$1,028,118. The fire risks written in 1876 were \$345,979,375, and the corresponding premiums, \$1,149,008. The net amount of fire risks in force on the 31st of December last was \$293,707,350, which is represented by \$1,121,201 of premiums. The general agency for the Pacific Coast is in the hands of Messrs. Cross & Co., who have recently engaged Mr. G. E. Butler to manage the fire department of their agency, which comprises also the Western Assurance Co., of Toronto. Mr. Butler, who succeeds Mr. Robert Dickson in that management, was for many years connected with the Union Insurance Company, of this city, and is well and favorably known to the insurance interests and to the community in general. The office of the Pacific Department of the London Assurance Corporation and the Western Assurance Company is at No. 316 California Street.

THE WESTERN ASSURANCE COMPANY,

Which is referred to in the foregoing notice, was established in 1851. Its capital is \$856,000, of which \$427,518 is paid up. Its total assets on the 31st of December last were

\$1,200,764, and its liabilities, exclusive of capital, \$430,955. The fire risks and premiums written in 1876 were respectively \$61,674,092 and \$716,617. The net amount of the fire risks in force on the 31st of December last was \$44,029,478, and of premiums applicable to the same, \$683,521. This company has an excellent reputation, not only in the city of its organization, but throughout the Dominion of Canada and the United States. It has \$100,000 deposited with our Insurance Department for the security of California policy-holders.

Correspondence.

SAN FRANCISCO, July 2d, 1877.

Editor Coast Review:—Inasmuch as my queries, as published in your May number, brought out a partial reply from "Arbiters" I trust you will not think the matter worn threadbare, if I again trespass upon your valuable space.

Your correspondent says: first, "owing to a contrariety of judgment between the companies a settlement had not been reached with the insured;" as we understand the case, it had been adjusted, proofs made and accepted, and at the eleventh hour exception was taken to the *apportionment*, thereby rendering it a dispute among the companies as to who should pay the loss. If I am not correct, will "Arbiter" please state who represented "Callahan & Co." in the arbitration?

Again, he says, "the expunging of the word unmanufactured was metaphorical." I submit that it was anything but metaphorical; it was literal most decidedly, for the party would have failed to collect for his flour and other articles thrown out by the arbiters, if their decision had been binding upon the assured in case of no other insurance; the "similitude" which he says had been agreed upon, would not stand the test of any court of ever so humble a jurisdiction.

Further, the coolness with which your correspondent claims to have construed the *two* stages mentioned in the policy, to wit: "unmanufactured," and "in process of manufacture," as synonymous terms, without

quoting any other authority than as he says "common sense avoidance of a construction calculated to injurious effects" is refreshing. The policy clearly contemplated three stages "materials," "in process," "manufactured articles," and any other arbitration than one of adjusters would have so rendered it.

The whole matter turns on two points, and without going further with the specific statements of arbiters, I will give my authority for disagreeing with them.

FIRST, I claim the contract is to be supported rather than defeated; that all of its contents are to be construed most liberally towards the assured, and in no event can any part of it be expunged. In support of the above, permit me to add the following:

Blackstone in writing on the construction or interpretation of written contracts, says:

"That the construction be favorable, and 'as near the minds and apparent intents of the parties as the rules of law will admit. It must be reasonable and agreeable to common understanding; where the intention is clear, too minute a stress be not laid on the strict and precise signification of words; and, therefore, that every part of it be, if possible, made to take effect, and no word but what should operate in some shape or other."

Kent says, "The words are to be taken 'in their popular and ordinary meaning, and all are, if possible, to be given some effect. 'It must be a reasonable construction and according to the subject-matter and motive. 'The whole instrument is to be viewed and compared in all its parts so that every part of it may be made consistent and effectual; to give the contract the sense in which the person making it believed the other party to have accepted it."

Parsons says, "The words which describe 'the property insured are to be construed according to the common meaning of such words as they are commonly used; a party will be held to that meaning which he knew the other party supposed the words to bear. 'The whole contract should be considered in determining the meaning of any or of all its parts. The reason is obvious, the same parties make all the contract, and may be

"supposed to have had the same purpose and 'object in view in all of it, and if this purpose is more clear and certain in some parts than in others, those that are obscure may be illustrated by the light of others; the contract should be supported rather than defeated. All the parts of the contract will be construed in such a way as to give force and validity to all of them, and to all the language used."

In case of *Hoffman vs. Aetna Ins. Co.*, 32 N. Y., 405, held "policies of insurance are to be construed strictly against the underwriters." *Merrill vs. Germania Ins. Co.*, 54 Penn. St., 277, "where underwriters have left their design doubtful by using obscure language, the construction will be most unfavorable to them."

From the above it ought to appear to any one, that in this case, the intent of the parties, upon a liberal interpretation of the contract should have been the basis of the decision, rather than a narrow, precise and partial one.

I can't think the arbiters or any one can have any doubt what the assured intended to cover by the terms used.

THE SECOND point is the literal and legal meaning of the word unmanufactured.

I agree with Arbiters in part in his views and will copy a portion of his reply, "Manufactured is made or fabricated from raw materials, by hand, art or machinery." "The prefix 'un' is the absence of the condition or state expressed by the participle." If he had stopped there we would have agreed fully; but he adds, "in other words, the made article is unfinished, the step has been taken but not finished. Where does he get his authority for the latter, a sort of compromise position, between the two propositions, stated in his first rendering of the effect of adding "un." Would he say anything that was un-constitutional was constitutional "in part," un-acceptable to be acceptable in part; un-broken, broken in part, un-married, married in part; and so on.

As to the legal meaning of the term unmanufactured, I hesitate to quote a decision before me, lest it may be called a "pop-in-jay court" decision, but if our friends the

arbiters ever get into the clutches of the court whose decision I quote, I trust they may find it as easy to get out of as the "pop-in-jay." I will only burden you with one case, as I think it so completely covers the point, as to render others unnecessary.

In *Sprately vs. the Hartford Insurance Co.*, 1 Dillon, United States Circuit Court, 392, the Court used the following:

"Insurance on stock manufactured, or in process of manufacture, covers raw or unmanufactured stock."

In the above, the Court not only held the words "unmanufactured" or "materials" entirely unnecessary, but at the same time put a legal meaning upon the word *unmanufactured*, claiming it to mean "raw stock," rather than stock in "process of manufacture," as held by our arbiters.

With the above before me when I wrote my queries for your May number, I was clearly of the opinion that if Callahan had been represented in the arbitration by an able attorney, the decision would have been rendered very differently from what it was; that the policies would have been treated as concurrent so far as their terms were concerned.

QUIZ.

Oakland Letter.

OAKLAND, June 30th, 1877.

DEAR REVIEW.—The raid on our school-house insurances recently made by the non-board element of this classic little burg, and headed by the undignified general agent of the Connecticut Fire, (a Board member, as we are informed) prompts this cursory review of the action.

The tariff rates for these risks *detached* in Oakland, is $1\frac{1}{4}$ per annum, whether for one, two or three years, and now glance at the bids presented as follows:

Connecticut Fire of Hartford, on authority of General Agent, as stated by Sub-agent Littlejohn, rates for three years.....	1.47½
Royal Canadian of Montreal, State Investment and Insurance Co., California, Amazon, Northwestern National, for 3 years	2.00
Farmer's Mutual, Kinsley & Co's. Companies, for 3 years.....	1.45
Home Mutual of S. F., Hutchinson & Mann's Cos., Pötter & Jacobs' Cos, for 3 yrs	1.75

Now, our school-houses are not all detached, and this indiscriminate general rating, we submit, is a piece of folly and foolhardiness, only equalled by the insignificant figures made by some of these impetuous bidders.

"Art thou a man? and sham'st thou not to beg? To practice such a servile kind of life?"

Be it said to the credit of the Board agencies, (with the single exception of the Connecticut Fire) none of this crawling, creeping, unbecoming bidding was indulged in; there might be some excuse for agents of companies *outside* the S. F. Board in naming figures "low down;" but when one of the *insiders* can under-bid the lowest and walk off with the prize (?) it is high time the Connecticut Fire knew their man, and the Board did its whole duty by ousting the parasite.

For the benefit of agents interested in the Oakland school-house insurances, we state, as we are advised, that the contract has been awarded to the Connecticut Manufacturers of N. J. and Security of New Haven, at 1.45 for three years, and the companies at present carrying lines at the tariff, (1.25 per annum) can compute at short rates for early cancellations.

BOARD AGENT.

The Hamburg-Bremen Fire Insurance Company and Swiss Lloyd Marine Ins. Co.

The Hamburg-Bremen which is located in Hamburg, Germany, has published its statements as made to the Insurance Commissioner of the State of California, on the 31st of December last. Its paid up capital is \$286,194.69, and its assets \$1,257,271.41. The total liabilities were on the day referred to \$681,280.25 exclusive of capital, consequently there was a surplus as regards policy-holders of \$575,991.16. The net cash actually received for fire premiums, in 1876, is \$359,627.91, and the amount paid for losses for the same period were \$114,207.75. The Pacific department of this institution, which is under the management of Messrs. Morris, Speyer & Co., has contributed in no small proportion to the general prosper-

ity of the company. The record of this agency has always been satisfactory to the California policy-holders. The Hamburg-Bremen was among the heaviest underwriters on the Harpending Block burnt in 1871, and on this occasion, and as on all others, the agents were prompt and equitable in furnishing the proper indemnity.]

THE SWISS LLOYD MARINE INSURANCE CO.

The Pacific department of this company is also under the management of Messrs. Morris, Speyer & Co. The home office is at Winterthur, in the Canton of Zurich, in Switzerland. From its official statement we find that its paid-up capital on the 31st of December last, was \$200,000. Assets, \$1,497,543.63. Liabilities not including capital \$1,172,453.63. Consequent surplus as regards policy-holders, \$325,000. The net cash actually received for marine premiums after deducting \$1,345,155.75 for reinsurance, was \$1,167,738.22, and the net amount paid for marine losses was \$515,874.87. The following item included in the assets, viz: \$882,711.05 as premiums in due course of collection and in hands of agencies, represents principally monies kept at those agencies for the payment of losses. This is the explanation that is given of it by the local agents. We suggest, however, that the sum so appropriated should be segregated from the uncollected premiums in the next filing of their accounts. Such a separation would render them more intelligible to the American parties in interest.

—Policy-holders in the life insurance companies that have been placed in receivership, should present their claims without delay. Information in regard to time and form may be had on application to Mr. James Munsell, Jr., 224 Sansome Street, who makes a specialty of attending to all business of this description. Mr. Munsell, formerly agent of the Mutual Benefit Life Insurance Co., is thoroughly conversant with the details of the business he has assumed. In every respect he can be confidently relied upon.

CHIPS.

—Alluding to the promise contained in the editorial on the St. Johns' fire, etc., in this number, we beg to say that we have been unable to obtain an accurate list of the insurance.

—At Bakersfield, Cal., June 6th, an incendiary fire destroyed the public school building.

Union, of S. F.....\$4,500

—June 14th, a dwelling at Virginia City was destroyed by fire.

St. Paul.....\$400

—June 9th, the City Hotel on First Street, in this city, was damaged by fire, which was settled by the

New Orleans Association.....\$500

—On the 13th of June a fire destroyed the contents of a dwelling at No. 834 Vallejo Street.

New Zealand.....\$700

—June 13th, the residence of J. M. Johns, in Marion County, Oregon, was burned. Origin of the fire unknown.

Phoenix of Hartford.....\$1,500

—On the 10th of June a fire destroyed the flouring mill and contents owned by one Brugger, near Hillsboro, Washington Co., Oregon. Insured in

State Investment.....\$3,000

—On the 12th of June, a coal-oil lamp exploded in the ante-room of the Odd Fellows Hall at Williams, Colusa Co., and before the flames could be checked about \$30,000 worth of property had to succumb.

The only insurance was on the store and stock of Hyman & Sussman and Boardman & Hudson, the former for \$11,000, and the latter for \$800. The companies have settled, and are as follows :

Royal Canadian.....\$3,000

New Zealand.....3,000

Home Mutual.....5,000

Commercial Union.....800

—June 11th, the Axel Grease Factory on Natoma Street, in this city, was damaged by fire to the extent of \$660, which was paid by the Lyeomg, People's of New

Jersey, Manufacturers' of New Jersey, and Mississippi Valley of Tennessee.

—The furniture in a brick dwelling in Marysville, Cal., was burned last month.

Commercial.....\$500

—The dwelling of Henry Malcom, at Los Angeles, was destroyed by fire on the 4th of June.

St. Paul.....\$450

—A fire in Oakland on the 17th ult. destroyed a stock of line, etc., and a dwelling and contents adjoining.

Home Mutual.....\$1,600

New Zealand.....166

—June 11th, a fire broke out in a barn owned by J. C. Williams, at Plymouth, Cal., and destroyed about half of the town. Loss about \$35,000, with the following insurances, which have been settled :

Liverpool and L. & G.....\$3,000

Imperial and Queen.....2,000

German American.....2,000

Citizens, St. Louis.....1,000

Commercial Union.....337

Scottish Commercial.....150

Svea.....107

New Zealand.....107

—A fire broke out in a saloon, in Astoria, on the 3d of June, and owing to the absence of fire apparatus, the flames swept over nearly two blocks, destroying about \$20,000 worth of property. The insurance losses, as far as we could learn, were :

Home Mutual.....\$1,000

Liverpool and L. & G.....500

State Investment.....500

—On the 4th of June a fire broke out in a barn owned by a Mrs. Wilson, at Vacaville, Cal., and a stiff breeze from the Southwest caused the flames to spread very rapidly, and in a remarkable short time the adjoining buildings were enveloped in flames, and before the fire was checked about \$50,000 damage was done. The insurance paid, as far as we could learn, were as follows :

California Farmers.....\$6,432

Home, New York.....3,701

Home Mutual, San Francisco.....2,450

Phoenix, Hartford.....3,000

Liverpool and L. & G.....1,279

Imperial and Queen.....93

—A dwelling at Tulare, Cal., was burned on the — day of June.

Western, Toronto.....\$500

—The residence of A. Silver, at Jackson, Cal., was burned on the 6th of June.

Liverpool and L. & G.....\$1,385

—On the — of June, a dwelling was burned at Napa.

Home Mutual.....\$400

—A dwelling at Virginia City was burned last month.

St. Paul.....\$400

—June 1, a dwelling on Hayes Street in this city was destroyed by fire.

Northwestern National.....\$250

—June 1, the furniture in a dwelling on Oak Street, in this city, was burned.

Hamburg-Bremen.....\$350

—On the 22d ult., a broom factory at Los Angeles was burned.

Western of Toronto.....\$900

—June 3, a barn and contents in Ormsby Co., Nevada, were destroyed by fire.

Phoenix, of Hartford.....\$450

Home, New York.....400

—June 15th, the buildings belonging to the Southern District Agricultural Park, at Los Angeles, were destroyed by fire. Insured in the North British and Mercantile for —

—On the 5th ult., a dwelling on Guerrero St. in this city was burned.

Liverpool and L. & G.....\$1,100

London Assurance.....600

—The annual statements of the companies represented by Messrs. Farnsworth & Clark and Henry Balzer & Co., will receive our attention in the next issue.

—On the 19th of June, the dwelling of Mrs. Catherine Burk, in Canada Raymundo, San Mateo County, was entirely destroyed by fire, with all its contents. Loss on house and furniture, \$1,400 ; insured for \$900.

—On the 18th ult., the Union Hotel at Somerville, Contra Costa Co., Cal., with contents, were destroyed by fire.

Manhattan (on building).....\$1,000

Underwriters Agency (on building).....1,000

State Investment (on furniture).....1,800

—On the 8th ult., a small dwelling at Sacramento was destroyed by fire.

Liverpool and L. & G.....\$400

—On the 17th ult., a fire totally destroyed the Sonora Hotel and contents, at Sonora, California.

Liverpool and L. & G.....\$1,500

—On June 27th, a grain warehouse, fourteen miles from Salinas City, with 360 tons of grain, were destroyed by fire. The building was owned by I. Friedlander, and the grain belonged to the farmers of that section.

Imperial and Queen (on building).....\$1,000
Fireman's Fund (on grain).....520

—June 22, a fire destroyed a stock of paints, oils, etc., on Fourth Street in this city.

State Investment.....\$1,000

—On the 27th ult., a fire at Jackson, Cal. destroyed a stock of wines in basement.

Etna\$1,800

—The Paterson Insurance Co. of New Jersey has withdrawn from this coast, and proposes to cancel all its business in this field by paying back unearned premiums. This company did business here about one year, and was used by shyster brokers as a sort of slop-shop.

—The insurances on cargo of the City of San Francisco, which was lost on the Mexican Coast last month, in offices in this city, were as follows:

Transatlantic Marine.....	\$15,358
Swiss Lloyd.....	16,000
Union, S. F.....	4,080
Fireman's Fund.....	1,595
British and Fire Marine.....	1,502
State Investment.....	900
California.....	500

—June 15th, a fire destroyed the mill and machinery of the Newark Silver Mining Company, located at Bullionville, Lincoln Co., Nevada. W. L. Chalmers, special to Hutchinson & Mann, with expert machinists from this city, are on the ground making the adjustment, and it is believed considerable salvage will be made on the machinery. The insurance is as follows:

California, S. F.....	\$5,000
State Investment.....	2,500
Amazon.....	2,000

Home Mutual, S. F.....	3,000
St. Paul.....	2,500
Home Columbus.....	2,000
Franklin Indianapolis.....	2,000
Revere Boston.....	2,000
Union Fire and Marine, Texas.....	3,500
New Orleans Association.....	3,500
People's, New Jersey.....	2,000
Total.....	\$30,000

—June 19th, a coal-oil lamp explosion set fire to a dwelling in San Jose, which with contents were destroyed.

Liverpool and L. & G.....\$480

—In this city, June 27th, a dwelling and furniture on Green Street were burned.

Liverpool and L. & G.....\$400

—A fire at Gilroy, June 19, damaged three frame buildings with contents and one brick. The buildings were owned by H. M. Newhall of this city.

Commercial Union, Imperial and Queen (on building).....	\$2,700
Homo Mutual (on stock).....	1,035

—The following are the insurances affected in offices at Boston on the ship Daniel Marcy, (from Manila, April 20th, for New York), freight, and cargo.

China, of Boston (on ship).....	\$10,000
New England, " " ".....	3,500
Boylston, " " ".....	7,500
India, " " ".....	5,000
Manufacturers', " " ".....	5,500
Boston Marine, " " ".....	15,000
American, " " ".....	5,000
Delaware Mutual, Phil., " ".....	7,500

Total.....	\$59,000
China, of Boston (on freight money)...	\$5,000
India, " " ".....	2,000
Delaware Mutual, Phil., " ".....	2,500

Total.....	\$8,500
Boston Marine.....	\$20,000
China, of Boston.....	1,000
North America, of Boston.....	20,000
Salem Marine.....	5,000

Total.....	\$45,000
Grand total.....	\$133,500

—The Pacific Coast agency of the American Central and St. Joseph Insurance Companies has been placed in the hands of Mr. John R. Hamilton, who is also the general agent of the Commercial Union and the Merchants' of Newark. The American Central and St. Joseph are good companies, and will add materially to Mr. Hamilton's already extensive business.

—The Home Fire Ins. Co., of Texas, has concluded to wind up its business.

—The rumor that the Mutual Life intended to reduce its rates is denied.

—The local board of Cincinnati has given up the ghost.

—Nearly all the officers of the American Popular, Continental, Security and New Jersey Life have been indicted.

—The receiver of the Security Life Ins. Co. is ready to make his report. Claimants should file their claims without delay.

—Baggage insurance mentioned in another "chip," is done by the Arctic Fire of New York.

—James E. Stevenson, Fire Marshal of Pittsburgh, Pa., is thanked for his report for the year ending March 26, 1877.

—Both the Palace and the Baldwin hotels are uninsured. The former had insurance last year for about \$600,000. The latter has always been at the risk of the owner, the rate demanded being more than he is inclined to pay.

—The American Popular Life will probably go into receivership. The creditors will probably receive about 40 cents on the dollar. Superintendent Smyth is urging the prosecution of the president, Dr. Lambert.

—A New York Baggage Insurance Company is among the latest inventions. Baggage is insured from the time it leaves the house until its ultimate delivery. The policy covers hotel, steamboat, railroad, and coach risks, of both fire and accident. Rates on \$100 are from 5 cents per day to \$1 for three months. To Europe the rate is 50 cents on the \$100. The public are patronizing the company to a considerable extent.

—In New York city, during the month of April, there were 120 fires, involving an estimated loss of \$124,755, of which \$52,020 was on buildings, and \$72,735 on stock. The amount of uninsured loss was \$7,760 on buildings, and on contents \$6,935; insurance on buildings, \$459,450, and on contents, \$162,340.

—There was a fire at the cathedral of Metz, caused by fire-works.

—The Union Insurance Company of Jersey City has "passed in its checks" to a receiver.

—The Glens Falls Insurance Co., of Glens Falls, N. Y., has signified its intention to adopt the Safety Fund Law of New York.

—The 5th annual meeting of the Life Underwriters Association of Ohio, met at the office of J. McVey, Columbus, on the 19 of June.

—The National Burglar Insurance Co., of New York, has commenced business. Capital \$500,000. It has deposited \$100,000 with the Insurance Department.

—The affairs of the New York Life Ins. Co. are being examined by the Department. No fears are entertained of the result. This institution is among the best in the United States.

—By the courtesy of the respective commissioners, we have received the insurance reports for 1876, from the following States: Pennsylvania, Maine, New Hampshire, Michigan, and Minnesota.

—The First National Fire Insurance Co., of Worcester, Mass., has obtained permission from the Legislature of that State to increase its capital stock to \$200,000. We believe that the additional \$50,000 has been subscribed and paid in.

—The Farmers' and Drovers' Insurance Co. of Louisville, Ky., has closed up business. This company was about three years old, and had a paid-up capital of \$200,000. There have been about seventeen such small fry "closed up" within the past four months, and a good prospect of about three times that number closing up before January, 1878.

—When the intelligence of the death of E. A. Hewitt, Esq., editor of the *Chronicle*, N. Y., reached Philadelphia, a meeting of the insurance press of that city was called, at which resolutions were adopted, expressing respect for the memory of the deceased and sympathies for his family in their affliction.

—A railway accident insurance company has been organized in Spain.

—Edward Z. Lawrence is the receiver of the American Popular Life Ins. Co.

—The average fire rate on sugar refineries in Brussels is 18 cents per \$100. The United Refineries Ins. Co. of that city insures only on sugar refineries.

—The Amazon Fire Ins. Co. of Cincinnati is reinsuring its Eastern risks, and intends to confine its business to the Western States and the Pacific Coast.

—The State of Connecticut has adopted the $4\frac{1}{2}$ per cent. valuation on life-policies. The 4 per cent. remains for the division of surplus.

—The policy liabilities of the St. Louis Mutual Life were on March 1st, \$2,037,282, and of the Columbia Life (formerly St. Louis) \$1,961,020.84.

—The Residence Fire Insurance Company, of Cleveland, Ohio, which did strictly a dwelling-house business, has reinsured its risks with the Scottish Commercial.

—Kate Claxton had another fire experience at the Opera House at La Crosse. We promised not to mention her name again, otherwise we would tell the story. The *United States Review* says, she "prefers the fire fiend to the newspaper fiend."

—The old St. Louis Mutual Life is seeking to withdraw its assets from the Columbia Life, by which it had been absorbed. The first \$10,000 has been turned over and has been used up by the receivers of the St. Louis for expenses. Another \$10,000 is shortly to be paid over, which, it is to be hoped, will be used for the policy-holders.

—Dr. C. C. Bombaugh, one of the editors of the *Baltimore Underwriters*, has delivered an address before the Life Underwriters' Association of Ohio. The subject is "Frauds upon Life Insurance Companies." The address in full will be found in the *Underwriter*, and is well worthy of perusal and careful attention. The doctor's oratory is of the best order.

—It is said that the Southern Hotel is to be rebuilt in the grandest style.

—No. 5 of the *Insurance Watchman* comes to us from Raleigh, N. C. It has our best wishes.

—The Paterson Fire Ins. Co. of Paterson, New Jersey, has been ejected from New York.

—Antoine Prieur de la Comble, the aristocratic and sensational incendiary of Paris, has been sentenced to hard labor for ten years.

—Conflagrations in Canada have been frequent. At Walkerton, Brace County, Ontario, twenty places of business, including the office of the Montreal Telegraph Co., were destroyed. Loss estimated at \$250,000.

—The Aetna Fire Insurance Company, of Hartford, has resolved to increase its capital stock to \$5,000,000. This resolution is in accordance with the privilege granted to it by the last Legislature of Connecticut.

—There are three things, it is said, which every man thinks he can do without practice, the first is driving a fast trotter, the second is writing an editorial, and the third is — well the third is forgotten, but presumption cannot go further than the second.

—The Superintendent of the Insurance Department of N. Y. is examining the affairs of the Knickerbrocker Life Insurance Co. This investigation is by request of the company, and implies nothing to its disadvantage.

—The Fire Marshal of Brooklyn, N. Y., reports the principal causes of fire for the month of May, as follows: "Children playing with matches, careless use of matches, explosion of kerosene lamps, careless use of lights, and overheated stoves."

—The Atlantic Mutual Life Insurance Co. is likely to come out all right. Judge Westbrook requires the stock-holders only to replace the \$118,000 deposited with the Hope Banking Company, which was insolvent. This will probably be done within the time required by the Court.

—Dr. J. C. Dewey, President of the National Life Insurance Co. of Montpelier, Vermont, died last month, aged 76.

—Complaints against the restrictions of the Spring Valley Water Company still appear in the daily papers.

—It is calculated, says the *Sanitarian*, that as a result of life insurance 600 families are relieved from distress every month, "and that 30,000 children per year obtain the opportunity of a good education and a start in the world."

—The rate of mortality among butchers, fishmongers, and liquor-dealers, is said to be excessive. The high mortality is among clerks, railroad employees, and tailors. Toolmakers, carpenters, and farmers are among the most favorable occupations. All this is the English experience; the conditions may differ in the United States.

—Judge Hilton has invented a new ethnological distinction, a "Seligman Jew." In Henry the Fourth, or in the Merry Wives of Windsor, Falstaff protests something or other under the penalty of being considered a "Jew, an Ebrew Jew." In these days he would have said "a Jew, a Seligman Jew."

—The San Francisco *Chronicle* of June 11th publishes the assessor's list of "moneyed men." Flood & O'Brien are in for \$601,500; Wm. Sharon for \$260,000; Michael Reese gets along with \$500 worth of furniture and a buggy and harness worth \$200. It is among the hardships of his condition that he is compelled to tell the time of day by a watch worth no more than \$80.

—A correspondent of the *Bulletin* attacks the underwriters for using their influence against the fire-works demonstrations on the 4th of July. The underwriters, he says, in effect, are paid for the burning of the city, and he thinks it hard, that they will not let it burn. His imbecility also conceives that fire-works are necessary to promote the patriotism of the people. The dunce has been demolished already by the *Bulletin's* comment.

—The National Capital Life has assigned its buildings at New Haven, which cost \$450,000 as security for the claims of policyholders.

—The election of Trustees of the Mutual Life of New York, was held on the 14th of June. Nine Trustees were elected to serve for four years. At a subsequent meeting Mr. Frederick S. Winston was unanimously re-elected president of the company.

—William Allen Butler, referee in the matter of the American Popular Life, has made his report. There is a deficiency of \$167,936. Mr. Edward G. Lawrence has been appointed receiver.

—The receivership of the Continental Life, lately in contest, now remains with Mr. O'Neil, the appointee of Judge Westbrook under the recent decision. Mr. Grace, the rival receiver under Judge Pratt's appointment, having withdrawn.

—The Executive Committee of Chico citizens has offered a reward of \$250 for the detection of the party burning the Bidwell Soap Factory building on the night of the 22d instant. The offer of \$250 for the detection of the parties burning it last month still stands also, making a sum of \$500.—*Bulletin*.

—Henry Boileau had policies in the Connecticut Mutual Life for \$10,000, \$5,000 of which he procured the day before his suicide, which was effected in a deliberate manner. Administrators obtained verdict against the company, but this has been reversed by the Supreme Court of Pennsylvania.

—The San Francisco *Bulletin* publishes the following extract: "Value of imported Chinese crackers since 1866, \$1,500,000. Property consumed in two fire-cracker fires—one in Portland, Me., July 4th, 1866—\$15,000,000; value of all fires, the work of fireworks, \$100,000,000; expense to fire departments, \$250,000; number of persons killed by Fourth of July explosions within ten years, 320; maimed and wounded, 90,000.

—The *Irish Insurance Journal* is the latest birth. Its head-quarters are in the glorious city of Dublin.

—The receiver of the Fulton Fire Insurance Company announces a final dividend of 2½ per cent., payable on July 2d next. The liabilities of the company, which was bankrupted by the Chicago fire, amounted to \$887,000.

—The *Troy Times* gives the following longevity story: Dr. Henry Parker Blackwell died in Troy, on Sunday evening, age 107 years. His father and mother both lived to be 117, grandfather 127. He has a brother now living aged 115.

—In proportion to population, more fire alarms are given in Chicago than in any other city in the world. The proportion in Chicago is 1 to every 780 inhabitants. In San Francisco it is 1 to 2,000. London is 1 to 52,925, and the minimum is in Birmingham, England, which records only 1 to 79,215. These figures are quoted from a paper read before the Society of Telegraph Engineers in London.

—The *Western Review* excepts to our criticism on one of its articles. This criticism, if so it can be called, appears in a notice of the *Insurance Journal* of Hartford, in our May number. We therein simply stated that the *Review* was in turn reviewed by the *Journal* for its obsolete idea that the burning of property fully insured is no loss to the country. That idea is certainly criticized by the *Journal*, and in attributing it to the *Review*, we relied on the *Journal's* accuracy. That reliance is not shaken by reading the article in question, according to the *Review's* suggestions.

The "second hand" impeachment we plead guilty to, and shall have to make a similar plea very often, as in order to keep our California readers informed of Eastern events, we have to borrow materials for our "Chips" from our Eastern exchanges. We cannot make special acknowledgment in every case. We take this opportunity of thanking the *Review* for much interesting matter that has been culled from its columns.

—E. A. Ferris, convicted of setting fire to his wife's house, has been sentenced at Los Angeles to three years in the State Prison.

—The *Finance Chronicle and Insurance Circular* of London, England, is pleased to speak of the *Coast Review* as "an excellent insurance journal." We commend the good taste and judgment of our contemporary in this as in other particulars.

—Dog shows are now in fashion in New York, and fabulous prices have been paid for some of the specimens exhibited. Mankind there seems to be a failure, and the hope of animated nature is in the canine species.

—The Pennsylvania Insurance Commissioner's report, just issued, says, relative to the Central, People's, Safeguard and Penn Fire Companies: "These companies are all more or less fraudulent, and the best the receivers could do was to pick up the little odds and ends of valuable material for the day of final settlement and distribution. This difficult and embarrassing duty they have all endeavored to perform with fidelity and in the interest of the creditors."

—By way of demonstrating the practicability of supplying Sacramento City with water from wells, one Mr. Rose bored a well ten inches in diameter to the depth of sixty feet, and found an apparently inexhaustible supply of water. By means of a large pump operated by steam, which was operated for ten hours as rapidly as possible, and at the end of that time the well was apparently as full as ever. Another test was subsequently made with a fire engine, and with the same result. The well is on the premises of Mr. Rose, Ninth and K Streets, and he has invited the Fire Commissioners to order one of the steamers to test it. We also learn from the *Record-Union* that Mr. Rose has invented a combination of valves for the well, by means of which the latter is always kept full to the top, and an engine taking suction from it will not have to encounter the delay of "priming," or expelling the air from the well, previous to commencing operations.

—T. Walton Thomson, Esq., of the Queen Insurance Company, of Liverpool, is spending a few weeks in California, looking after the Pacific Coast business of his company, and that of the Imperial, of London.

—In New York City, during the month of May, there were 134 fires, involving an estimated loss of \$71,216; loss on buildings, \$14,705; on contents, \$56,511; insurance on buildings, \$309,000; on contents, \$302,800; uninsured loss on buildings, \$1,270; on contents, \$4,460. During the corresponding month of 1876 there were 114 fires; losses, \$128,300; aggregate insurance, \$653,800.

—Mr. J. A. Melcher, for several years connected with the Northwestern Mutual Life Insurance Co. as general agent in Alabama and on this coast, but more recently special agent for Union Mutual in California, has been appointed general agent for the Northwestern Mutual for the State of Kentucky, with head-quarters at Louisville. Mr. M. is a genial and courteous gentleman and an energetic agent, making hosts of friends wherever he goes. The REVIEW, with many California friends, wishes him success in his new field.

—The *Bankers' Magazine*, for June, presents the following interesting decision: On the 9th of March, 1867, F. E. Spinner, Treasurer of the United States, made a check on the First National Bank of Washington in favor of a Mrs. Kimbro. This check was endorsed without her authority, and the bank paid it to the unauthorized holder. It is not stated what further relations between the drawer and the rightful payee rendered it necessary for her to take legal proceedings, but she sued the bank for the amount of the check, and obtained judgment. This judgment has now been reversed by the Supreme Court of the United States. It was held that there was no privity of contract between the rightful payee and the bank, and that no action could lie against the latter. Authorities, however, are divided on this point. The COAST REVIEW will notice the case editorially in the next number.

—The insurance companies interested in the recent fire at the Jessup & Laflin paper mill, at Salmon Falls, N. H., have adjusted their loss, paying \$23,000 damages on the building, and \$11,500 on the stock.

—Vice-Chancellor Van Fleet has signed an order for suits to be brought against the stock-holders of the New Jersey Mutual for the \$200,000 alleged to have been drawn by them from the assets of the company. Several of the books of the company are missing.

—The following little note to the *Chronicle*, N. Y., will give our Pacific Coast underwriters an idea of the extent of the demoralization in rates in the East, which demoralization, by the way, is causing a suspension of about one company each week:

LYNN, MASS., June 9th, 1877.

EDITORS CHRONICLE:

"We can beat your last entry on page 346 (*Chronicle*) about rate whittling; morocco stock, rate (tariff) \$1.25. Taken by 'Roger Williams' at \$1.25 for five years.

Yours truly, "FACT."

—The suspension of the Commercial Insurance Company, of St. Louis, the largest but one of the St. Louis fire companies, is creating great excitement and indignation among the stockholders. On the 1st of January last, its assets amounted to \$603,000. It is said that there will be sufficient to re-insure the outstanding policies, but that there is little show for the stockholders. United States Senator Bogy and his son Joseph Bogy are reported as being financially ruined by this disaster. The latter was President of the company, and the former one of its heaviest stockholders. The Commercial was a non-board company, and it is alleged that ever since the Chicago fire, by which it suffered terribly, it has been doing a desperate business. The thirteen or fourteen companies that have failed since the 1st of January were all operating outside of the Board regulations. This is not said for the purpose of impeaching the Non-Board companies in general, but simply as a matter of history.

—The Chicago *Herald* furnishes the following copy of a policy from a Western agency: "On her two-story brick building, occupied by the assured, with a slate roof, and she has all the modern improvements."

—There is a fraud of the first water in North Carolina, called the Southern Underwriters Association. Is not somebody placing its policies in Illinois?—*Western Ins. Review*.

We know somebody placed its policies in Nevada about five or six months ago.

—Messrs. Woodward & Taggart have been appointed resident agents for the Home Ins. Co., of New York, and Phoenix Ins. Co., of Hartford, at Oakland, California. Messrs. W. & T. are large real estate dealers, with a very extensive acquaintance, and with their energy and business abilities we predict for them and their companies a prosperous business in that field.

—The Bankers' Almanac and Register for 1877, edited by B. Homans, Junior, New York City, contains full and carefully corrected lists of all the banks, private bankers, savings banks, trust and safe deposit companies, in the United States; also of banks and bankers in every part of the civilized world. Its calendar of important events in the financial world and its monetary tables, form, together with the other matters, a valuable work of reference.

—The following, in regard to the Galveston fire, is clipped from our Eastern exchanges:

As near as we can learn at present writing the insurance involved in the fire at Galveston, on the 8th inst., is as follows:

Home, New York.....	\$87,500
German American, New York.....	53,000
Niagara Fire, New York.....	25,500
St. Paul Fire and Marine, St. Paul.....	35,500
Scottish Commercial.....	55,300
Liverpool & London and Globe.....	60,000
Ins. Co. North America.....	27,400
Hamburg-Bremen.....	20,000
London Assurance Corporation.....	17,500
St. Louis Insurance Co.....	10,000
Hartford Fire Ins. Co.....	22,500
Phoenix of Brooklyn.....	11,500
North British and Mercantile.....	33,500
Ætna of Hartford.....	19,000
Continental, New York.....	15,500
Fireman's Fund, California.....	20,000
Roger Williams.....	5,000

Home of Columbus, O.....	7,500
Traders' of Chicago.....	7,500
Planters' of Houston.....	2,500
Georgia Home.....	1,500
Merchants, Galveston.....	32,000
Texas Banking and Ins. Co., Galveston.....	25,000
Galveston Ins. Co.....	10,500
Home Ins. and Banking Co., Galveston.....	12,000
Union F. and M.....	3,000
Queen, of Liverpool.....	38,000
Phoenix, Hartford.....	50,000
Royal Canadian.....	24,000
Amazon.....	10,000
Mobile Underwriters.....	12,500
Imperial and Northern.....	20,000
Commercial Union.....	15,000
Lancashire.....	5,000
Manhattan.....	5,000
St. Joseph, of Missouri.....	8,000
Franklin, (St. Louis).....	12,000
Equitable, (Louisville).....	10,000
British American.....	17,500
Fire Association, St. Louis.....	15,000
Commercial, St. Louis.....	5,000
Millville, (New Jersey).....	5,000
East Texas.....	3,000
Citizens' St. Louis.....	5,000
Planters' & Merchants'.....	3,500
Western.....	2,500
Williamsburg City.....	3,000
Westchester.....	3,000
United States.....	2,000

—The Ætna of Hartford, Hartford of Hartford, and Phoenix of Brooklyn are the only American companies doing business in New Brunswick. The Royal Canadian and the Stadacona are the heaviest losers among the Canadian companies. The Stadacona has gone into liquidation in consequence. The following are the latest figures received, which is stated to be the amount at risk in the burnt district by the companies named:

Ætna.....	\$220,000
Hartford.....	200,000
Phoenix, of Brooklyn.....	60,000
Imperial.....	310,000
Commercial Union.....	300,000
Royal Ins. Co.....	500,000
Stadacona.....	300,000
Lancashire.....	500,000
Queen.....	500,000
North British and Mercantile.....	600,000
Guardian.....	400,000
Liverpool and London and Globe.....	130,000
Northern.....	200,000
Royal Canadian.....	300,000
Provincial.....	200,000
Citizens' Fire and Marine.....	200,000
National.....	125,000
St. John Mutual.....	75,000
Central of Fredericton.....	70,000
British America.....	22,000
Total.....	\$5,732,000

—Rollins, publisher of the *Herald*, Chicago, has changed the name of his paper, and calls the May issue *The Argus*, which, we presume, will be the name of future issues of his journal.

—“Money to loan upon Consolidated Virginia and California.
H. H. BLAKE & CO.,
No. 302 Montgomery Street.”

We usually charge for advertisements. Indeed, it is a rule rarely deviated from. But the above announcement, clipped from a daily paper in this city, is so suggestive that we cannot forbear giving Bro. Blake a lift. In return we shall only ask that he inform us whether these ducats, for which he seeks usance, are the \$10,000 bonus, or the commissions on reserve “run off,” and “patent policies” in the late lamented Continental Life of New York. We should be startled to learn that it was the profit on the San Rafael parson’s investment in stocks.

—In the recent address of the lamented Hewitt, before the Underwriters’ Association of the South, there occurred the following:

“The present chaos of uncertainties in finance, in politics, in legislation, in trade and in manufactures, is to be made the arena of a wild struggle for business between existing fire insurance companies. How long it will last cannot be foretold; but this generation will not again witness so compact and efficient an alliance between the stronger companies as was the National Board in the days of its unshorn power.”

—The Superintendent of the New York Insurance Department is still at work with the examination of the Universal Life Insurance Company of New York, and the present prospects are, that it will show a deficiency, if we are to believe reports. It is stated that the Superintendent has thrown out \$354,554 of its assets, and of this \$29,300 is money loaned upon second mortgages, and \$81,875 interest partly due. It appears that this company’s mortgage investments have not realized a dollar during the year. \$1,792,890 for surrendered policies was paid during last year, or three times the amount paid for legitimate losses.

—Concerning the French Insurance Corporation and its recent troubles with the insurance commissioners, or rather the deputy of the New York Insurance Department, we republish the following extract from the editorial column of the *Insurance Monitor* of New York, and express the belief that this explanation will be entirely satisfactory to parties interested on this coast concerning this matter: “The French Insurance Corporation has been re-instated by the Insurance Department of New York. No change has occurred in the condition of the company since its first admission; the whole trouble being of a purely technical nature, and growing out of the opposition of the Deputy-Superintendent to the structure of the company’s assets—not as regarded their loss-paying power, or as touching the true financial soundness of the company, but in regard to the way in which the re-insurance reserve ought to be computed. It was a legal rather than a financial question, and was passed on by the Attorney-General, and the company admitted upon his sanction. After Mr. William Smyth was superseded by Mr. John Smyth, Mr. McCall renewed his hostile attitude towards the company, successfully, and its certificate of authority to do business in this State was revoked. The Attorney-General has again passed upon the matter, maintaining his former view, over-ruling Mr. McCall. The company, after a most vexatious and needless interruption of its business, will now proceed upon what we may trust may result in a long and prosperous career.

TO LIFE AGENTS.

Southern California offers a fresh and inviting field in Life Insurance, and very favorable terms are offered by the undersigned to Agents with good records. Correspondence is invited from live agents who desire to work for the most popular company represented in the State. Address

A. SIDNEY SMITH,

Manager Southern Department Pacific
Mutual Life Insurance Company of
California.

Los Angeles, Cal.

ESTABLISHED .

A. D. 1821.

GUARDIAN ASSURANCE COMPANY

OF LONDON.

Capital paid up.....\$5,000,000 Gold
Total Cash Assets, (including life accumulations).....\$14,291,620 Gold
Cash Assets especially available for Fire Losses.....\$6,738,100 Gold
Fire risks written on approved property in California, Oregon and Nevada.

BRITISH & FOREIGN MARINE INS. CO.

Limited, OF LIVERPOOL.

Capital subscribed.....\$5,000,000 Gold
Capital paid up.....\$1,000,000 Gold
Reserve Fund, exclusive of Capital.....\$756,740 Gold

BALFOUR, GUTHRIE & CO.
GENERAL AGENTS,
230 CALIFORNIA STREET, Near Battery, S. F.

Pacific Insurance Agency.

313 CALIFORNIA STREET,

Jonathan Hunt & Son, Managers.

LIST OF COMPANIES INCLUDED IN AGENCY.

INS. CO. OF NORTH AMERICA, - -	Capital and Assets,	\$7,000,000
AMERICAN FIRE INSURANCE CO. -	„ „	1,200,000
PENNSYLVANIA FIRE INSURANCE CO. -	„ „	1,600,000
LONDON & LANCASHIRE FIRE INS. CO. „	„ „	5,000,000

TOTAL CAPITAL AND ASSETS, \$14,800,000

COAST REVIEW.

A MONTHLY JOURNAL, DEVOTED TO FIRE, MARINE AND LIFE
INSURANCE.

J. G. EDWARDS, Editor and Proprietor,

320 California St., San Francisco, Cal.

VOL. 12.

AUGUST, 1877.

NO. 5.

Virginia City.

Immediately after the big blaze in Virginia City, Oct. 26, 1875, the citizens of that town took active measures toward the completion of a system of water works which would meet the requirements of any emergency. Large sums of money were voted and spent; city bonds were issued, and other important steps were taken to protect the city from a similar conflagration. The volunteer fire department was abolished, and a paid department substituted, with a very *fat* chief. Additional pipes were laid, larger mains took the place of those thought to be too small for emergencies; additional hydrants were placed at numerous crossings and along the principal streets, and many other steps were taken to protect that unfortunate city from the devouring element. All this seemed for a time to work well, and insurance companies that paid large sums for former experience, thought the prospects favorable to a "gathering in" of some of their lost fortunes; and perhaps they are. But the recent little blaze at 204 South C Street does not furnish very refreshing evidence of a bright future for companies writing extensively in that city.

When the new water-works were put in running order, with their large mains, numerous hydrants, and *strong* pressure, the REVIEW gave room in its columns to its

Virginia correspondent, who gave at length a detailed statement of the number of miles of pipes, pressure, etc., telling at what an enormous distance the stream could be thrown, with many other wonderful things that the new department with the new water-works could do. Concerning the abundance of water which we supposed Virginia had at its command; and the efficiency of the fire department, the *Chronicle* of that city, in speaking of the recent fire above alluded to, says:

"The fire department was promptly on the ground, and a hose was connected with one of the B Street hydrants, but the stream was insufficient, and the nozzle was held for at least fifteen minutes before the stream was strong enough to reach the building below, during which time the flames gained full headway. On C Street an attempt was made to fight the flames in front, but in such a disorganized way that efforts in that direction for the first fifteen minutes were more than useless. The building was three stories high, with a high porch in front. To successfully manage this fire, this vantage-ground was the most available, but there were no ladders at hand, and the time was lost trying to throw a stream over the porch into the windows, through which the flames could have been seen gaining headway every instant. Here the want of a hook-and-ladder company was decidedly felt, but there was no immediate remedy, and the work of sub-

during the flames continued, with the department getting the worst of it all round.

Finally, a fireman climbed one of the posts of the balcony, and cutting a clothes-line which was stretched near, threw it down to have it fastened upon the hose. By this time, however, a ladder was procured and put up against the next building, and the hose taken up. It was too late, however, to do much with No. 204, as the flames were bursting from half a dozen portions of the building, and spreading over a small boarding-house adjoining.

BAD BREAKS.

At this juncture the water in the Savage tank was exhausted, and, soon after, the hose of No. 6 burst, and during this temporary delay Lefevre's drug-store, at No. 208, was burning rapidly, the chemicals sending up a dense volume of black smoke. No. 6's men, however, coupled as fast as possible, and soon got a stream on, playing alternately upon Burns' and the drug-store. They checked the fire in the latter, but the other was too far gone, and every effort was now made to save the Burlington House, No. 202."

It appears that a reporter of the *Chronicle* interviewed Captain Ourton, superintendent of the water company, who said, "that during the progress of the fire, three tanks supplied the fire department with water. One was lowered two feet, one two feet and a half, and the other ten inches. There was sufficient water to have kept up the supply for four hours, easily. The fire-supply pipes and service pipes are entirely separate. We have never turned off a hydrant since the formation of the company, and consider that we have no right to touch them without orders from the Chief Engineer." If the head of water was not sufficient to throw a good stream, it was simply because it was

NOT SUFFICIENTLY TURNED ON.

The tanks were full at the start, and the water supply was ample in every respect. It is our custom when a fire lasts over thirty minutes to shut off the service-pipes in Virginia and Gold Hill, and turn all the force on for the benefit of the fire department."

Galveston Fire.

Following is the list of the adjusted losses to insurance companies at the recent Galveston fire, as reported by the *Chronicle*, N. Y., of July 12th:

American Central, St. Louis, Mo.....	\$31.43
Ætna, Hartford, Conn.....	13,085.47
Atlas, Hartford, Conn.....	1,112.60
Atlantic, New York.....	1,090.00
Amazon, Cincinnati, Ohio.....	9,291.64
British America, Canada.....	10,783.88
Continental, New York.....	7,563.36
Commercial Union, England.....	15,282.35
Citizens', St. Louis, Mo.....	4,214.11
Commercial, St. Louis, Mo.....	5,750.00
Citizens', Newark, N. J.,.....	432.15
East Texas, Tyler, Texas.....	3,500.00
Equitable, Nashville, Tenn.....	4,752.64
Fireman's Fund, California.....	31,564.28
Franklin, Philadelphia, Pa.....	12,609.37
Fire Association, Philadelphia, Pa.....	9,271.49
Franklin, St. Louis, Mo.....	8,226.21
French Ins. Corporation.....	1,775.00
German-American, New York.....	44,245.57
Georgia Home, Columbus, Ga.....	1,581.43
Galveston, Galveston, Texas.....	17,239.70
Home, New York.....	69,152.98
Hamburg-Bremen, Germany.....	16,110.77
Home, Columbus, O.....	5,726.21
Hartford, Hartford, Conn.....	17,410.66
Home, Galveston, Texas.....	5,913.71
Ins. Co. of North America, Phil.....	22,892.89
Imperial and Northern, England.....	13,200.00
London Ass. Corporation, England.....	16,930.58
Liverpool and London and Globe, Engl.....	47,902.00
Lancashire, England.....	4,500.00
Mississippi Valley, Memphis, Tenn.....	1,000.00
Mobile Underwriters', Mobile, Ala.....	10,925.39
Manhattan, New York.....	4,830.35
Millville, Millville, N. J.....	4,472.45
Merchants', Galveston, Texas.....	34,488.80
Niagara, New York.....	23,038.93
National, Hartford.....	1,435.80
North British and Mercantile, England.....	24,925.07
Orient, Hartford, Conn.....	56.80
Phoenix, Hartford, Conn.....	7,344.18
Phenix, Brooklyn, N. Y.....	5,500.00
Planters' and Merchants', Mobile, Ala.....	3,416.67
Planters', Houston, Texas.....	2,222.22
Queen, England.....	20,649.92
Royal, England.....	21,752.80
Royal Canadian, Montreal.....	17,470.01
Roger Williams, Providence, R. I.....	1,790.13
Scottish Commercial, Glasgow.....	46,440.03
St. Paul Fire and Marine, St. Paul.....	30,180.30
St. Louis, St. Louis, Mo.....	6,063.71
Shawmut, Boston, Mass.....	994.88
Springfield Fire and Marine, Mass.....	56.80
St. Joseph Fire and Marine, St. Jo., Mo.....	5,755.14
Traders' Ins. Co., Chicago.....	7,083.83

Texas Banking and Ins. Co., Galveston.....	\$35,491.06
Underwriters' Agency, New York.....	70,210.28
United States, St. Louis, Mo.....	2,919.58
Union Marine and Fire, Galveston.....	28,534.00
Western, Toronto, Canada.....	2,500.00
Westchester, New York.....	2,306.88
Williamsburg City, New York.....	7,306.88
New Orleans local companies.....	85,577.15
New York, Boston, Providence, New Jersey, and other local companies not represented in Galveston.....	193,169.63
Total	\$1,120,370.63

RECAPITULATION.

Agency companies	\$719,956.58
Galveston local companies.....	121,667.27
Northern, Eastern and New Orleans companies, not represented in Galveston.....	278,746.78
Total.....	\$1,120,370.63
Loss to assured, as shown by adjustment.....	\$1,218,774.03
Loss to insurance companies.....	1,120,370.63
Excess of loss over insurance.....	\$98,403.40

The Weakness of Anonymous Statements.

"Give me the avowed, the erect, the manly foe,
 Bold I can meet—perhaps may turn his blow;
 But of all plagues, good Heaven, thy wrath can send,
 Save, save, oh! save me from the *candid friend*."

That is, the would-be-thought candid person, whose pretended friendship is but a cloak to conceal his enmity; "whose words are smoother than oil, but the poison of asps is under his lips;" who speaks of you with feigned reluctance: "Clever fellow,—pity isn't it, he's no better than he should be?" And then he adds, "Don't mention my name in connection with it," and goes his way, leaving a suspicion to work against you, but without having made himself responsible for anything.

These reflections are suggested by the accumulation upon our desk, of a large pile of anonymous circulars, each covertly attacking some person or company, affirming this and inferring that, and giving as the only security for the truth of its assertions and the sincerity of its conclusions the bare signature "Jus," "Lex," "Pro Bono Publico," or "One Who Knows." There is, of course, all through these screeds a pretense to candor, and even to friendship.

"We have the highest respect for Mr. Blank," they would say, "but we feel it our duty to inform the public that he is an inveterate kleptomaniac, with a weakness for forgery, and a general falsification of statement."

An anonymous circular, like an anonymous letter, should always be regarded as an ebullition of spite. If there is any earthly reason for issuing a circular at all, there is no earthly reason why its authorship should be concealed.

That which has no author, speaks without authority. This certainly is a legitimate conclusion; for one of the strongest checks upon the maligner is the probability that he may be called upon to substantiate his assertions. No man, we venture to say, can be trusted to bring charges anonymously; there is always danger of his overstating the case, unless restricted by the reflection, "What proof have I to justify this statement?" For most people believe more than they can safely swear to; it is only under the pressure of responsibility that they distinguish carefully between proven facts and conjectures.

There is a wide difference between the anonymous article in a newspaper and the same irresponsible statement in the form of a circular. There is a reason why the editor should hide his individuality behind the impenetrable "we." It discourages newspaper personality, and, moreover, it deceives no one. But when the "three tailors of Tooley Street" proclaim that "we, the people of Great Britain," have arrived at the following conclusions, there is an apparent attempt to bolster up a weak conclusion with an unwarranted authority. Besides, a newspaper has usually a reputation of its own to sustain, and its editor feels himself responsible, not only to the person attacked, but to public opinion, for the truth of his journal's statements. But the anonymous circular is a single issue, by an unknown author, (who admits an unwillingness to substantiate his charges, even with his own signature) of a statement which would often be refused admission to the columns of a respectable journal.

When the people thoroughly learn to think, to reason; when they learn to reject current rumor, or at least to "consider its source," when they begin to appreciate that cowardice is akin to lying, and that where there is an evident desire to escape the responsibility of authorship, there is *prima facie* cause to doubt, if not wholly reject, the unfortified statement; then, and not till then, will the anonymous circular fiend find his occupation gone. Till then, we can only remind our readers that he who is deceived is wronged; that if they allow themselves to be influenced by one who admits an unwillingness to support his statement in his own proper person, they are giving way to weakness which may do them serious injury. At any rate, they will recognize that the anonymous slanderer is a public enemy, and do their utmost to crush him.—*Insurance Critic*.

The Romance of Life Assurance— Its Trials, Tribulations, and Tragedies.

[Continued from last Number.]

"Now, by the two-headed Janus,
Nature hath framed strange fellows in her
time."—*Merchant of Venice*.

No history of life assurance in its earliest days could be complete without mentioning the name of Abraham de Moivre, a Huguenot, who was expelled from France by the revocation of the Edict of Nantes, and who took refuge in England at the period of that decree. His fame as a mathematician has been eclipsed by the greater fame of Sir Isaac Newton, his contemporary, but the latter always spoke of De Moivre as superior to himself. "Go to De Moivre," he would say, when asked for mathematical explanations; "he knows better than I do." This deference might have arisen from the generosity of one man of genius to another, but it is certain that De Moivre was one of the most eminent authorities of his day in the highest branch of mathematics. The Royal Society selected him as arbitrator in the well-known contest between Newton and Leibnitz; and Pope

has immortalized him in the following couplet in the "Essay on Man"—

"Who made the spiders parallels design,
Sure as De Moivre, without rule or line?"

In these days his technical abilities directed to the system of insurance would undoubtedly have secured for him a lucrative practice, but it seems that he lived and died poor, and that he was compelled to eke out a scanty income by frequenting the gambling houses and calculating for the gamblers the chances of the dice and cards.

THE DOCTRINE OF CHANCES

Applied to life valuations was an extension by De Moivre of the theories applied by him in his calculations on game of chance. A book, called the "Doctrine of Chances," was published by De Moivre in the early part of the eighteenth century, and is spoken of by our author as very entertaining. It is composed entirely of dissertations and calculations on dice throwing and games of chance. The probabilities of throwing a certain number of aces in a certain number of times are laid down with what is supposed to be mathematical precision, and the calculations are extended to the chances of lottery tickets. It would seem to a superficial observer that the more tickets one might take in a lottery the more probability there would be of loss, because if he were to take all the tickets, he would lose certainly; but De Moivre's calculation curiously dispels this supposition, and demonstrates that the taking of a certain number of chances would secure the probability of gain. It is not known to the writer hereof whether the theories of De Moivre in regard to gambling have been sufficiently tested, but our readers are advised not to attempt the solution of the mathematician's problems by the risk of any considerable sum of money.

THE ECCENTRICITIES OF HUMAN NATURE,

Which are moralized upon in the Shakespearean couplet at the head of this article, have enlivened the earlier annals of life assurance with a fund of amusing anecdote. What may be called the wager period of that system was inaugurated in the early

part of the eighteenth century, and existed for about fifty years. Policies were applied for and granted on all prospective events which involved an element of uncertainty either in regard to their occurrence or to the time at which they might occur. The lives of kings, statesmen, generals, and other public characters were made the subject of "sporting assurances," and the premiums were increased or diminished according to the circumstances of jeopardy or security in which these dignitaries might be placed. At the celebrated trial of Admiral Byng for alleged cowardly conduct in the presence of the enemy, the speculators held policies to a large amount on the result, and it is thought that the popular outcry which led to his condemnation and execution was largely promoted by those who had a pecuniary interest in the death of that unfortunate gentleman. When Minorca was taken by the French, the loss of that island was insured against by friends of the English Ministry, who had private intelligence of the event, and similar nefarious transactions were of constant occurrence. Nor was the system of speculating policies confined to the lives of public men, or to the contingencies of public proceedings. The affairs of private life, ordinary and extraordinary, were often registered in the brokers' books, and betted upon with the companies for a commensurate premium. A sporting man having made a bet that he would go to Lapland and return in a specified time with two women of that country and two reindeer, policies were opened on the probabilities of his total or partial success in every conceivable phase of the ridiculous adventure. The singularity of the enterprise created a betting furore among all classes of the community, and as the adventurer returned completely successful, the insurance offices raked in large sums of money from this piece of absurdity.

THE SEX OF THE CHEVALIER D'EON,

Like the mystery of the "man with the iron mask,"—a mystery even to this day—was a subject which was exercising the ingenuity of conjecture at the time of these wager policies, and which ultimately led to the culminating point of excitement and

wagering speculation. The Chevalier, whose legal designation is multitudinously set forth as Charles Geneviève Louise Auguste d'Eon de Beaumont, began his career as equerry to Louis XV. He is also described as a doctor of law. That he was of noble birth and some diplomatic skill may be inferred from his appointment as ambassador to the Court of Russia, and that nature had bestowed upon him a handsome person may be supposed by the circumstance of his having been a favorite of the Empress Catherine, the "Cleopatra of the North," who was remarkable even more than her Egyptian prototype for an enthusiastic admiration of masculine perfection. In 1777 we find d'Eon in England as an attaché of the French embassy, and afterwards in a quarrel with his chief, during which he denounced the English Ministry for corrupt and mercenary practices in their negotiations with France. The people of England, it seems, resented this imputation on the national probity, and d'Eon was threatened with personal violence.

THE DOUBTS AS TO THE CHEVALIER'S SEX

Arose about this time, but how they originated is not sufficiently explained. In later days, in order to keep up the curiosity of the public, and the consequent benefits to himself, he appeared in female attire; but this does not seem to have been his practice in the early part of his career. The interest of the public, however, having been excited by this remarkable discussion, bets were freely laid on both its contingencies, and it was decided at Lloyd's that policies should be opened on the Chevalier's sex. The assurers generally took the side of d'Eon's masculinity, and insured him as a man for 15 per cent. premium. But the difficulty was in obtaining the necessary disclosures without the Chevalier's consent. After some solicitation, he advertised that he would appear at a certain time and place and declare the result of the large speculations that had been made concerning him. This promise, as may be supposed, stimulated the excitement and curiosity of the public to the point of delirium. Bets were

doubled and tripled, and the clerical force of the insurance companies was not adequate to the demands for additional policies.

THE SCENE OF THE CHEVALIER'S APPEARANCE,

Who came at the hour appointed, is vividly described by Mr. Francis. The place was thronged by thousands of all classes, from the banker, who had staked his thousands, to the small tradesman, who had risked the whole of his little capital on the disclosure that was expected. D'Eon was dressed in the uniform of a French officer, and rose to address the multitude. The anxiety was intense. A million of pounds sterling, it is said, depended upon his words. He declared himself to be a man, and offered to prove his manhood with sword or cudgel on whomsoever might doubt it. Sums of money equivalent to \$150,000 were offered to him for more conclusive evidence; but this does not seem to have been furnished. The insurance companies were satisfied to leave the matter in doubt; they had received large premiums, and could not be called upon in the absence of affirmative proof. Besides, a decision would have stopped the influx of premiums. D'Eon probably was an accomplice of the companies, and must have received from them an enormous commission. He fell ultimately into poverty, and obtained a scanty living as a fencing master.

The romance of his history is immediately connected with the first legal decision on the subject of "insurable interest." This will be reported in our next number.

—The remonetization of silver by Congress would not affect the new 4-per-cent. bonds. The Secretary of the Treasury, in reply to a communication on this subject, says—"The essential element of good faith in preserving the equality in value between the coinage in which the Government receives and that in which it pays these bonds, will be sacredly observed by the Government and the people of the United States, whatever may be the system of coinage which the general policy of the nation may at any time adopt."

Reports of the San Francisco Savings Banks.

The semi-annual reports of the San Francisco savings banks for the term ending the 30th of June last will be found in a tabular statement presented in this number. The result of these reports is very gratifying, and denotes a condition of thrift and economy among the population of San Francisco which perhaps is not paralleled by any other city in the world. Exclusive of the Masonic Bank, the returns of which are not ready, the total deposits amount to over \$60,000,000. Supposing—which, of course, is not exactly the case—that all the depositors—who number about 75,000—are residents of San Francisco, there would be an average deposit of about \$200 for every man, woman and child in this city, or about \$1,000 for every family. The deposit account shows an increase over the corresponding term in 1876 of about \$3,000,000. The outstanding loans, excluding the Masonic Bank, are \$59,979,101; the gross earnings, \$2,806,592, and the expenses, including Federal tax, \$280,444, which is a very small percentage to the large amount of business transacted. The capital and reserve amount to \$3,642,099, and the dividends to \$2,407,021. The largest rate of dividends on term deposits, ten per cent., is paid by the Pioneer, the Dime and the Market Street Banks, and the smallest, \$7.75, by the Odd Fellows'. This rate is, we believe, the lowest ever paid by any savings bank in California. The oldest institution of this kind is the Savings and Loan, which was organized in 1857, and the youngest is the Franco-American, which commenced operations only on the 1st of May of the present year. The exhibit on the whole is very satisfactory and much better than was expected. It was thought that the depression of business and agricultural interests, which has affected California in common with the other States, would have caused a withdrawal of deposits to a considerable extent; at all events, we did not look for the large gain in this line, which is apparent in the reports.

Items from Semi-Annual Reports of the San Francisco Savings Banks for the Term Ending June 30, 1877.

Name of Savings Bank Incorporation.	Date of Organization.	Numb. Dep's.	Amount of Deposits.	Outstand'g Loans, etc.	Gross Earnings.	Expenses & Fed. tax.	Capital & Reserve.	Cash on hand.	Amount of Dividend.
Savings and Loan Society.....	July 29, 1857.....	10,940	\$12,610,009	\$13,106,880	\$575,779	\$44,903	\$932,650	\$480,690	\$530,786
Hibernia Savings and Loan Society.....	April 12, 1859.....	18,249	14,094,453	14,512,683	637,321	52,067	1,157,874	789,641	510,438
French Savings and Loan Society.....	Jan. 20, 1860.....	6,500	5,949,250	6,170,865	280,527	19,008	255,019	405,384	236,808
San Francisco Savings Union.....	June 18, 1862.....	7,473	8,010,261	7,570,400	385,401	39,332	446,267	257,269	346,067
Odd Fellows' Savings Bank.....	October 13, 1863.....	7,572	6,200,948	5,130,321	258,965	29,132	73,767	365,169	218,341
San Francisco Savings Bank.....	October 30, 1866.....	6,881	5,133,922	5,133,866	28,491	9,820	60,912	79,638	18,070
Farmers' and Mechanics' Bank of Savings.....	June 30, 1867.....	7,135	7,989,068	7,579,050	346,838	31,730	160,000	293,992	307,407
German Savings and Loan Society.....	March 9, 1868.....	6,345	1,392,703	1,423,576	83,544	12,071	100,000	58,928	70,873
Pioneer Land and Loan Association.....	July 1, 1869.....	2,416	1,165,013	1,112,795	58,728	9,305	104,945	80,833	41,376
Masonic Savings and Loan Bank.....	Nov. 24, 1869.....	1,100	2,031,898	2,155,087	94,198	11,435	150,000	45,538	79,518
Humboldt Savings and Loan Society.....	March 2, 1871.....	1,298	405,424	453,870	26,507	4,352	63,000	17,428	21,385
Security Savings Bank.....	July 1, 1872.....	4,670	108,580	88,545	9,380	5,550	5,518	30,502	3,705
California Savings and Loan Society.....	July 18, 1873.....	347	35,202	128,706	16,573	3,205	12,127	12,236	1,657
Dime Savings Bank.....	June 21, 1875.....	54	61,622	19,484	235	8,223	20,000	50,143	
Market Street Bank of Savings.....	May 1, 1877.....	74,120	\$60,598,018	\$50,379,101	\$2,806,932	\$280,444	\$3,042,009	\$2,903,449	\$2,407,021
Francisco-American Savings Bank.....	.....	72,500	59,621,208	59,816,283	2,321,222	274,281	3,067,322	2,354,776	2,302,867
Totals.....	.....	71,000	57,677,200	57,471,100	2,847,300	264,800	2,911,200	2,461,500	2,465,500
Term ending December 31, 1876.....	.....							
Term ending June 30, 1877.....	.....							

The Predatory Presidents of Certain Savings Banks.

Following the purpose of an article on E. W. Burr, president of the Clay Street Bank, which appeared in our July number, we call on that functionary, on Abram Block, president of the Odd Fellows' Bank, and on Adolph Weber, president of the Humboldt Bank, to show cause why they should not be presented for malfeasance in office. The allegations that were made against the first-named person in this trinity, apply equally to both the others. It is stated, on sufficient evidence, that it is their practice not to grant or renew a loan unless the applicant will consent to insure the mortgagable property in companies of their designation. Such companies allow these presidents a commission of from 10 to 15 per cent., and some concerns whose responsibilities sit very lightly on their conscience, probably pay more. If the recipients do not pass these commissions to the income account of the banks, they are guilty of what in regard to persons of less dignity would be called "picking," which is generally a preliminary of a greater offence, and is so suggestive of it that the two terms are often joined together by the copulative conjunction. But discarding for the present the idea of speculation, the proceeding is both unjust to the borrower and dangerous to the interests of the bank. The former should not be charged with a larger amount of insurance than the net premium actually paid on his account, and his interest in the property entitles him to a voice in the selection of the company. The danger to the bank is sufficiently obvious. The inordinate hunger for commissions on the part of the officials throws the insuring business of the bank into the hands of a class of companies which pays high rates of brokerage, a class whose prospects of solvency are to be measured by their liberality in an inverse proportion.

As an illustration of how far the commission consideration enters into the essence of these transactions, we beg leave to adorn our tale with an anecdote of Weber, the aforesaid, which has come to us on good authority.

A risk placed by Weber on some property of one of his borrowers had been canceled, and as it had been running only a few days, the company waived its claim to the premium, which amounted to two dollars. But to this Weber demurred, as the concession would cut him out of 20 cents brokerage. The two dollars, therefore, have been collected, and the soul of Weber has been appeased by the payment of two dimes.

Our purpose in calling attention to these irregularities was, primarily, to prevent a practice which is demoralizing to the interests of insurance. But that purpose has now taken a wider scope, and acquired a larger significance. It concerns the security of the people's savings, which is being impaired by the illegitimate gains of the banks or their officials. We advise the depositors in the banks we have particularized to appoint a committee to examine this matter of commissions, and to scrutinize the policies that are supposed to protect the mortgaged property. A great fire in San Francisco would probably reveal the fact that the parties complained of in gratifying their appetite for commissions have been compiling a large volume of insurance paper, which, to say the least of it, is inadequate for such a catastrophe.

On careful inquiry, we cannot find any other savings banks than those named which accept commissions on insurance. The banks in general, as we understand, leave the matter in the hands of the borrower, reserving, of course, the right to except against companies of doubtful stability.

S. F. Correspondence.

SAN FRANCISCO, July 15, 1877.

Editor Coast Review: Prelusively to this our last reply to your correspondent Quiz, we deem it justice to ourselves as arbiters, to notice the persistent perversion of the case in controversy, as well as the style of our interlocutor's last communication. None but Mr. Quiz believe our answers to his queries in your June number were "partial;" they were in detail and much more

replete than the sense of most of his questions demanded.

For the benefit of our unknown quizzier, we again state that Callahan & Co. were represented in our arbitrement; we held two sessions in their establishment, and their testimony contributed largely to the decision. Instead of the exception being taken, at the "eleventh hour," to the apportionment by the French Company, *they were not represented in the adjustment.* All of this stuff, however, was beyond our jurisdiction. Sufficient for our purpose was the disagreement between the parties in interest, and the submission to us for judgment.

Now as to Quiz's far-fetched point in this particular. If he wished correct information wherewith to attack the position of the arbitrators, it would have been proper for the gentleman to have consulted some of the parties on the *other* side of the question; not having done this, he presumes on a state of the case not supported by facts. The abortive attempt at facetiousness by our critic we pardon on the score that he needed a film of some kind to obscure a reasonable view of the matter in dispute; his frequent use of the personal pronoun "I" in his last epistle is also excusable as a vegetation of a mind probably over-matured into a kind of "second sight;" his shining egotism therefore is not so distasteful, if our hypothesis is correct. We would hardly have had the temerity to again take up this controversy, had not Quiz casually admitted with strained facetiae, that our decision, based on "common sense," was "cool and refreshing." With such a difference at the outset in our *comprehension*, of course, there is no hope of agreement, but in defence of our decision in the case of Callahan vs. Several Ins. Cos. we will say, in regard to the French policy:

1st. It was specific, and covered items of machinery, tools, etc., not mentioned in other policies.

2nd. It was dated subsequently to the other policies.

3rd. It was procured on the written application of assured, through a broker.

Finally, this policy was not represented in the adjustment, nor were its actual contents known to the adjusters of the other companies during their adjustment.

The policy in this case is an express contract, and if a mistake appears, it must be one of *law*, and not of fact, inasmuch as the assured made their own application through their own agent or broker, and are, of course, responsible for its expressions.

"Mistake of law has been often declared (and in fact well settled in this State) to be no ground for relief at law or in equity." *Smith vs. McDougal*, 2 Cal., p. 586; *Gross vs. Parrott*, 16 Cal., p. 143; *Kenyon vs. Welty*, 20 Cal., p. 637; *Parsons vs. Fairbanks*, 22 Cal., p. 343; *Civil Code Cal.*, Vol. I.

With the application before them, the French Corporation had the strongest reason for believing that their patrons intended exactly *what that application expressed*, and having made the policy accordingly, its acceptance removes all doubt. On this point we quote from the high authority of Chancellor Kent:

"The true principle appears to be to give the contract the sense in which the person making the promise believes the other party to have accepted it, if he in fact did so understand and accept it."

Our own Code Commissioners have borrowed this same idea and embodied it in the *Civil Code*. Vol. 1, Sec. 1649.

Further, in support of this doctrine we have the following:

"When there is *doubt* about any act or expression, it receives interpretation from the feelings or affections of the actor or writer." *Dig.* 50, 17, 168, 1; *Dig.* 50, 17, 96; *Broom Max.*, 3d Lond. ed., 506.

"Where both parties are *equally* in fault, the condition of the defendant is always preferable." 11 Mass., 376; 1 Story Cont., 4d ed. 591-2.

If it was necessary for the arbiters to have *further* considered the intention and obligations of each party to the contract in question, it is most reasonable and incontrovertible that the assured, having at a subsequent date to effecting the *general in-*

surance, made application for a policy covering specific items *not* covered by the other insurance, *knowingly and premeditatedly omitted "materials"* as already fully insured *by the other policies*.

The Supreme Court of the United States at the last October term, in passing upon the case of the Home Ins. Co. of New York, plaintiff in error, vs. Baltimore Warehouse Co., uses the following language: "The subject of the insurance, its nature and its extent, are to be ascertained from the words of the contract which the parties have made. It is as true of policies of insurance as it is of other contracts that, except when the language is ambiguous, *the intention of the parties is to be gathered from the policies alone*. Lord Mansfield said long ago, that courts are always reluctant to go out of a policy for evidence respecting its meaning." *Lorraine vs. Tomlinson*, Douglas, 564; *Astor vs. Union Ins. Co.*, 7 Cowen, 202; *Murray vs. Hatch*, 6 Mass., 465; *Levy vs. Merrill*, 4 Greenleaf, 489; *Greenleaf on Evidence*, Vol. 2, 377; *Baltimore Ins. Co. vs. Loney*, 20 Md., 36.

Now as to the expression used by the arbiters to do away with a word inconsistent with the nature of the contract, or if considered in connection with the application, *at variance with the intention of the claimant*, our *Civil Code*, p. 496, sec. 1653, provides that "words in a contract which are wholly inconsistent with its nature, or with the main intention of the parties, are *to be rejected*," and supporting this excellent legal doctrine we find the following decisions cited: *Mills vs. Wright*, 1 Freeman., p. 247; *Simpson vs. Vaughan*, 2 Atk., p. 32; *Vernon vs. Alsop*, T. Raym., p. 68; *Story Cont.*, secs. 635, 636, 660, and several others.

Had the arbiters followed the concise notions of Quiz, with his California Street supporters, and *acted* the metaphor, without literally carrying it out, we suppose the interests of somebody (we don't exactly know who) would have been best subserved; but inasmuch as we failed in our answers to make any quotations, and our "coolness" and "refreshing" reliance on the "com-

mon-sense" of the critics was an over-estimate of the opposing timber, we take this occasion to introduce a few long-established legal maxims and decisions which actuated the arbiters in reaching their conclusions.

"In uncertain (or ambiguous) things, such a construction should be made, that what is inconvenient and absurd may be avoided." Coke, 4th Inst., 328.

"Too great subtlety is disapproved of in law; for such nice pretence of certainty confounds true and legal certainty." Broom Max., 3d ed., 175; 4 Coke, 5.

"THOSE WORDS WHICH AGREE IN SUBSTANCE, THOUGH NOT IN THE SAME WORDS, DO NOT DIFFER." Jenk. Cent. Cas., 70.

"IT MATTERS NOT WHAT BECOMES OF EQUIPOLLENT EXPRESSIONS." 5 Coke, 122.

"Every definition in law is perilous, for it is within an ace of being subverted." 2 Woodeson, sec. 196; Dig., 50, 17, 202.

"Every innovation disturbs more by its novelty than it benefits by its utility." 2 Bulstr.; 1 Falk, 20.

"The interpretation of instruments is to be made, if they will admit of it, so that all contradictions may be removed." Jenk. Cent. Cas., 96.

"When there are ambiguous expressions, the intention of him who uses them is especially to be regarded." Dig. 50, 17, 96; Broom Max., 3d ed., 506.

"That interpretation is to be accepted which is free from fault." Bacon, Max. Reg. 3, p. 47.

"A custom introduced against reason ought rather to be called an usurpation than a custom." Coke, Litt. 113.

"The rule, that a policy shall be construed most strongly against the insurer can be resorted to only when, after the use of proper helps to arrive at the intent of the parties, the language is of doubtful import." Foot vs. Aetna, N. Y., Com. A.

"The word 'otherwise' is too *vague* and *intangible* to admit of practical application, and the court will not undertake to enforce a provision so dangerous and uncer-

tain." Jacobs vs. National Ins. Co., D. C. S. C.

"An argument drawn from what is inconvenient is good in law, because the law will not permit any inconvenience." Coke Litt., 66 and 258; 7 Tanst., 527; 3 Barnew & Co., 131; Clark & T., 671.

As to the second count in Mr. Quiz's indictment, we contend that the terms "unconstitutional" and others he makes use of, are not parallel. When an article is manufactured, it is finished, and when it is unfinished, it is certainly not raw materials. We might just as consistently inquire of Quiz, whether an article which is unfinished, is not finished in part, or the step taken towards destroying the originality of the material. This same point is also well illustrated by the word in (or un) complete. These words are fair definitions, as well as synonyms, of the word unmanufactured. If we needed any better evidence of our position, Quiz furnishes the material in the decision he "burdens" us with, which if he had correctly quoted *same*, would have read as follows:

"On blacksmith and carriage-maker's stock, manufactured and in process of manufacture. Held, unmanufactured or raw stock of the kind mentioned was within the policy." Sprately vs. Hartford, 1 Dillon, U. S. C. C., 392.

If the decision above quoted proves anything, it is the identity of the two expressions "unmanufactured" and "in process of manufacture." The "raw stock of the kind mentioned" may have been patent hubs, prepared spokes or felloes, or even that kind of material, raw or in process, which under the circumstances would come under the broad term of "blacksmith and carriage-maker's stock." Instead of the court using the words of the contract "in process of manufacture," it economizes language and uses the synonymous term of "unmanufactured." "Raw stock of the kind mentioned" is a very significant expression when considered in connection with a blacksmith and carriage-maker's stock; most of their "raw stock" has undergone process of manufacture when introduced into the

shop, and could not be used in making "various commodities." The court in this decision clearly introduces a word which in its opinion was more brief, and yet *identical* with "in process of manufacture," and that word was UNMANUFACTURED. We regret that Quiz deemed it necessary to garble and misquote the text of this decision to secure that grain of comfort which must necessarily be temporary when application is made of a little "cool," "refreshing" "common-sense."

In future adjustments on this coast, should a case like the following ever become necessary for arbitration, by all means let the "material" man come forth, and rob our critic of his *nom-de-plume*, and secure his services. The business, originally carriage and buggy manufactory, policy of \$5,000 secured, applying as follows: on stock of carriages and buggies, manufactured, unmanufactured, and in process; business is next enlarged, and assured introduces the manufacture of agricultural implements and secures a second policy of \$5,000 on stock of agricultural implements, manufactured, unmanufactured, and in process. But his broker now hints the fact that his machinery, tools and materials are not covered; whereupon a third policy is secured, reading, \$2,000 on his stock of machinery and tools, and \$3,000 on his raw materials.

Ordinarily there would be no dispute in apportioning a loss as follows :

On buggies and carriages.....	\$2,000
" agricultural implements.....	1,500
" materials.....	3,500
" machinery and tools.....	2,000

But Quiz, if he represented that last policy would quietly settle down on his garbled decision of *Sprately vs. Hartford Ins. Co.*, and insist even into an arbitration, for the residue on first two policies for contribution with his \$3,000 on materials, because unmanufactured means raw stock. We think the above case abundantly proves the inconvenience of the word, and inasmuch as there is no misconstruing the term material, we can see no advantage in establishing a custom dependent upon the intentions of either party to a contract for construction and application.

ARBITERS.

The Universal Life Insurance Co. of New York.

About four months ago the Superintendent of the Insurance Department of New York instituted an examination into the affairs of this company. He has now concluded his researches, and reports a deficiency of about one million. The Universal was organized in 1865 as a purely stock company, with a paid-up capital of \$200,000; but, subsequently, it changed its contracts with such of the assured as would consent to the arrangement, and for a consideration admitted them into a participation of profits. It was a specialty of the Universal that it advertised to issue policies on the lives of persons in impaired health, but there is no reason to believe that this part of its business was extensively cultivated. In 1874 it contracted to reinsure 80 per cent. of the risks in the Guardian Life, which at that time exhibited a deficiency of \$650,000. An agreement made between the Universal and its vice-president, H. J. Furber, who has figured prominently and rather questionably in the affairs of the Charter Oak, gives him a commission of 10 per cent. on all premiums received from the Guardian, and 20 per cent. on the reserve of all policies in that company which might become forfeited. The preamble of that agreement recites that great advantages are expected to accrue to the Universal from the contract with the Guardian; but what advantages could accrue from shouldering the business of an insolvent company, except to Furber and his accomplices, it is not easy to conceive. As an element of ironical humor, perhaps, the clause recited will be appreciated by the policy-holders, but otherwise there is little to laugh at. The terms made with Furber one might suppose would be a sufficient consideration for his services in effecting the transfer of the Guardian's insolvent business, but he did not think so, and to increase his emoluments, the amount of \$639,358.36 reserve on the Guardian policies surrendered, to be exchanged for policies in the Universal, was treated as premium, so that Furber got his commission at

both ends. Secretary John H. Bewley and Actuary G. L. Montague have also earned a place in the story by consenting to receive some \$120,000 over and above their salaried compensation. From March, 1874, to December, 1876, the one received on account of commission \$60,650.04, and the other \$60,896.96. The lion's share, however, fell to Furber, who received during the time stated, and on the same account, \$321,428.11. Besides, \$120,000 was paid for worthless stock, in order to obtain control of the Guardian, and \$60,000 as sinecure salaries to the president and vice-president of that institution. Some \$30,000 was also paid without value to friends of the concern.

As a consummation of this conspiracy the Universal now repudiates its contract with the Guardian on the ground that the latter failed to perform a part of its agreement, which is rather cool, considering that both organizations were controlled by the same persons.

The affairs of the North America, now in receivership, are also mixed up with those of the Universal, and in the manipulations of the former company the ubiquitous Furber again comes to the front. This gentleman, who seems to be a very Monte Christo for abundant resources, and for the profusion with which he bestows them on the unfortunate, is sufficiently visible under the cloak of his brother-in-law, Mr. Hingman F. Page, from whom the North America, in order to make up its deficiency, obtained the sum of \$525,000, under a mortgage of the company's prospective profits, or a part of them. The contract with Page is signed by Furber as president of the North America, and it is not too great a strain on our charity to suppose that Furber has yanked the larger portion of the gains. It does not seem that the Universal made any contract to reinsure the North America's risks; but under the wrecking process of the officers of the two companies they must have done a good business for themselves by the exchange of policies.

The facts reported from the Superintendent's examination, on which we have based this abstract, have been communicated to

the Attorney-General, who will probably proceed to wind up the affairs of the so-called delinquent company. The officers contend that it is solvent, and that the real estate and other assets have been unjustly depreciated. The policies of the company cover 16,000 lives, and an insurance of \$33,000,000. The Universal did little business on this coast, but many of the North America and the Guardian policies have probably found their way to that institution through the manipulations of Mr. J. R. Garniss, who has figured as the agent of Furber in this city, and who assiduously carried out the tactics of his principal. Mr. Furber's connection with life insurance is among its most unfortunate incidents.

The Charter Oak Life Insurance Co.

It is a subject of congratulation not only to policy-holders of the Charter Oak, but also to those who are interested in the general welfare of the community, that the hostile proceedings against this company are virtually withdrawn. It was always thought by the insurance press and by the more experienced members of the life insurance interest, that the depreciation of the company's real estate assets by the special commission appointed to examine its affairs, was not justified, and this position was confirmed by the opinion of the most experienced real estate agents in the city of New York. The company, no doubt, has deviated from the line of prudential life insurance in making some of its investments, but that these investments are likely to result disastrously, is not sufficiently proven by the evidence in the case. Besides, they were in a measure forced upon it by the operations of former managers for which the officers who have recently resigned are in no way responsible.

The committee appointed to ascertain the real resources of the company and to devise a plan for continuing its operations, have reported favorably. They state, that under economical management there will be sufficient assets to pay all the liabilities in full. On this report, it was decided that the man-

agement of the company should be re-organized. Accordingly, the old officers have resigned, and a new Board has been elected, as follows: Marshall Jewell, W. A. Eaton, Colonel George P. Bissett, Robert E. Day, and Elisha Johnson. There is one vacancy which will shortly be filled. On the formation of the new Board, Marshall Jewell was elected president. The procedure for the withdrawal of the application for a receiver, and for the removal of the injunction will probably be instituted in a few days, and the company will then continue its business.

According to the report of the New York Insurance Department for the year 1876, the Charter Oak had in force 25,138 policies, covering an amount of \$52,494,057. Its net assets were \$12,970,753.99 and its surplus as regards policy-holders, \$746,120.99. The Charter Oak has done considerable business on this coast, and policy-holders here will be glad to learn that their interests, in all probability will be fully protected.

Attempt to Burn the City of Oakland.

At length, the untiring efforts of the underwriters and the municipal authorities to detect the incendiarism which is rife throughout the country, have met with some success. By good fortune, a negro in Oakland, overheard some remarks which led him to suspect that mischief was in progress. Following the clue with considerable tact, he discovered two men prowling about a vacant dwelling house, which shortly afterwards was in flames. The information conveyed by him to the police, enabled officers McKay and Somers to apprehend those two men in the very act of feeding the fire. The vacant dwelling house, which was partially burnt, is situated in the rear of the Mechanics' Hotel on Seventh St., between Broadway and Franklin. Many houses in the quarter were occupied by Chinese, and notice had been sent to the owners to expel their tenants under penalty of being burnt out. In one of the rooms of the dwelling house where the incendiaries were captured, it was found that two large mattresses had been

cut open and the straw saturated with coal-oil. But for the celerity with which the capture was effected, the fire would soon have got headway and have been beyond control. In the immediate neighborhood, there was a large number of frame buildings, and a wood and coal yard.

The names of the two men apprehended are, Patrick Mahoney and D. T. Shay. Both are about 25 years of age. They are not known in Oakland, and it is supposed that they belong to a gang of rowdies that came from San Francisco. They have been held for appearance before the Grand Jury, and it is fortunate for them that they fell into the hands of the authorities, instead of being captured by the indignant citizens.

The name of the negro to whom Oakland probably is indebted for her preservation, has been suppressed for prudential reasons.

The Oakland *Transcript*, from whose report we have compiled this notice, calls him with more facetiousness than ethnological accuracy a "Son of Ham," but whoever or whatever he may be, he has a fair chance of obtaining the reward of \$1,500, which was offered by the City of Oakland and the Board of Underwriters.

The "Monitor" and the Home Insurance Company of New York.

The *Monitor* fancies that it has got a whirl on the Home Insurance Company of New York. The complaint of the journal against the company is in this wise: In 1876, the average premium rate of all the board companies doing business in New York being 1.07, the Home's was only .85; and the percentage of losses on premiums for all these companies being 50.77, the Home's percentage was 54.61. Thereupon, pointing out that the Home overpaid the average losses nearly 4 per cent. on a rate below the aggregate average of about 20 per cent., the *Monitor* confers on it the title of "rate-cutter," a cognomen indeed cutting when applied to a company which, according to the *Monitor's* version, has always been distinguished by an ultra-conservative

opposition to a concession in rates. It appears, however, by the *Monitor's* admission, that while the average loss of all the board companies on fire risks written was .49, the Home's was only .42, and the *Monitor* thinks that, although this point is not sufficient, it is the strongest that can be made in any answer to its complaint. The company, however, may not think so, and may decline to estimate the strength of its defense on the opinion of its attacking adversary.

It was said by a very celebrated statesman that the two things he most distrusted were facts and figures, and perhaps the *Monitor* has got hold of a case which may in some measure justify this paradoxical assertion. If the figures in the tables, published in the *Monitor's* National Board article are to be taken as a test of the companies' rate-cutting proclivities, the position that has been assigned to the Home in regard to all the companies may be occupied by many another company in relation to some other, and the most improbable and ludicrous circumstances might be stated as the consequence. The *Ætna*, of which the average premium rate is 1.21, and the percentage of loss .55, would be a more rate-cutting company than the First National, Mass., whose figures are in the same relation 1.51 to .55, and would even transcend in enormity of aberration the insolvent Paterson of New Jersey, which shows a record of 1.74 to the same percentage as the *Ætna* and National. There are, doubtless, other explanations which might be given of the Home's exhibit, but as we are in no wise acting as counsel for that institution, we leave them to the "power of Mr. Heald's sophistry," of which the *Monitor*, notwithstanding its air of triumph, seems to entertain some little apprehension.

The Home can, should it so please, rely for the stability of its position on the admission made by the *Monitor*, that the "goodness of the business selected is best tested by the percentage of loss to risks written;" but even otherwise, its "unique record" on the transactions of one isolated year would argue nothing against

the soundness of its principles. The non-consequent phenomena which attend the experience of a particular case within a limited period of time are familiar to all who have studied the doctrine of probabilities or the laws of financial science. The *Monitor* wants no instruction on this point, and it is to be regretted that the something like personal pique against Mr. Heald, which peeps out of that journal's article, should have caused it to overlook the ordinary principles of its philosophy.

The Committee of Safety.

San Francisco never made a better record than in the remarkable events of the last ten days. There must be sterling qualities in the citizens which could in a moment transform them into such an organization as was seen in our streets on the nights of the riots. A body of men better fitted by temperament to cope with the emergency, could not possibly have been found. Their proceedings throughout have been marked not only by that air of calm determination which presages success, but also by that moderation which is the characteristic of brave men. There was no desire to sacrifice human life, except as a measure of the last resort, and fortunately this measure was unnecessary. The hoodlums fought against the clubs of the Committee on the first night of the patrol, but did not care to stand before their rifles on the second, and the victory of the law and order men is the more precious that it was obtained with little or no bloodshed. The ruffians of San Francisco and their instigators know with whom they have to deal, and it is safe to say that the present generation will never see again such an irruption as was witnessed on the night of July the 25th. Organized rascality has tried its strength against the repressive element, and has been signally vanquished.

The rapidity with which 7,000 men accustomed to peaceful pursuits, were transformed into the same number of well-equipped and disciplined soldiers is a circumstance which is attracting the attention of the world. The lesson that has been taught to other cities,

expecially to cities of the United States, will not be in vain.

The maintenance of a large repressive force is against the genius of our national system, reliance being placed on that spirit of obedience to the law which is the only safe-guard of Republican institutions, and it is well to know that such a force can be extemporized in the hour of need. Had it been necessary, 50,000 well-armed men would have organized themselves in San Francisco for the defence of order. It is necessary to say also that the men of means contributed liberally towards the expense of the organization. At the meeting of the Safety Committee on the second day of the riots, about \$40,000 was subscribed in a few hours. It gives us much pleasure to state that in this measure the underwriters took a prominent part, their contribution amounting to \$11,000.

That Oakland School-House Business and the Con- necticut President.

SAN FRANCISCO, July 26, 1877.

Coast Review: In a letter to the *Spectator*, from Hartford, appearing in the July number, the president of one of the leading insurance companies of that city is represented as having just returned from the Pacific Coast, where he made thorough investigation into the workings of our Pacific Coast Board, and paid us the extraordinary compliment of being the best managed and most harmonious organization of the kind in the United States, or New Jersey. This we know to be in some respects true; for of our own personal knowledge there is perfect uniformity of feeling, adverse to payment of fines for deviations from rates, and, with five notable exceptions, a similar feeling against "the ring." This harmony of complaint and denunciation was in such thorough accord with the said president's "tone," that he was led to believe that our Board was Allah, and Hawes his prophet. But, unfortunately, the prophet had been so long moving on the "haw" of his tangent, that the point of departure from the circle was

about reached, and was not long delayed after the divergence from the coast of Mr. "President." Like other phenomena in human nature, these two singular departures occurred quite simultaneously, and are marked by two quite dissimilar and amazing freaks—the one by a blood-thirsty "cut" at the vitals of the insurance body, the other by the fulsome letter above referred to, both radical in themselves, and diametrically opposed to each other.

The first act in the new departure was an effort to swallow all the Oakland school-houses, without the necessary lubrication; but the "president's" company not being noted for the size of its "guzzle," spat it up with an electric grimace, causing the abdominal region of the hungry wanderer to rumble with indignation, and his quondam confreres to shout their "haw, haws!" with (assumed) pure hearts and clean hands. (The Oakland school-houses are now protected by an armed force @ \$13 a month and rations.)

The president says to the *Spectator* that, with one exception, our Board is harmonious, and strictly adherent to rates.' This little paragraph spoiled the symmetry and smoothness of the article, and might have been dispensed with, and would no doubt have been, had it been written a few days later—say, after his company's withdrawal.

What excites the Board's pulse to a feverish activity, is the allowing by National Board companies of their agents to sever their connection with this local board, and "go for biz" without regard to rate or hazard. We suppose that they consider what would appear wrong in others is in them a virtue. We should like to see the Connecticut, the Traders', the Home of Columbus, and the St. Paul's come back into the fold.

LICKIM IN.

—An incendiary machine, containing inflammable and combustible materials, and connected with a fuse, was discovered under a Chinese wash-house, No. 47 Minna Street. The fuse had been fired, but the connection failed.

The Riots.

Attempts to settle the relative standing of labor and capital by physical violence have been often made, and as often have resulted in unconditional failure, and in an aggravation of the evils they were designed to cure. A sequence so invariable excludes the necessity of arguing on its cause, and indicates the existence of an immutable law that cannot be evaded. But it is impossible for any man—not a mere machine, grinding out the truisms of political economy—to be wanting in some sort of sympathy for the unfortunate workingmen in the Eastern States, who, under circumstances of privation, and under the apprehension of greater suffering, allowed themselves to enter on a course of desperation. For those workingmen of San Francisco, however, who took advantage of a time of national trouble to parade fancied grievances, and to gratify antipathies of race, there are no extenuating circumstances. Wages may be comparatively low with them, and employment may be irregular, but there is no pressure on their means of existence as far as regards its prime necessities. The crowds which they drew together to listen to the inane harangues and fallacious platitudes of their professional spokesmen were used as a cover for the ruffians who attempted the plunder and destruction of the city.

These calamities have been averted by the calmness and determination of the Safety Committee which was organized by the citizens in general. But the responsibility of having placed these calamities within the pale of probability, and of having to some extent inaugurated them, remains with the foolish or designing men who got up the unseasonable and inflammatory meetings.

The San Francisco riots, though actually of small proportion in their consequences, presented for a short time a most formidable appearance. On Monday, the 23d of July, the workingmen's mass meeting called together a crowd of about seven thousand persons, and during the proceedings of this meeting the hoodlums commenced their operations. The destruction of this night

is represented by Chinese wash-houses demolished to the value of about \$20,000, a liquor store broken open and robbed, and the burning of two houses belonging to the Blumenberg estate. The companies in which these houses were insured have thrown the responsibility on the city, which will probably have to pay the loss, together with the value of the other property damaged. The owner of the liquor store has already brought a suit in this direction. No lives were lost in the riot of Monday night, but three persons were wounded by a man named Griffin, who fired into the crowd. Griffin was arrested on a charge of assault to murder.

On the night of Tuesday, the 25th of July, the riotous demonstrations were renewed. Several incendiary fires were started by the rioters, and some Chinese wash-houses were plundered and demolished. It is said that two Chinamen were murdered and their bodies burned. The police did good service, but it was impossible that they could protect the city at every point. The Committee of Safety, which was organized on Tuesday afternoon, were hardly ready at this time for effective operations. Wednesday night, the 26th of July, will long be remembered in the annals of San Francisco. The hoodlums, encouraged by their success on the two previous evenings, assembled in great force. Many fights took place between them and the police, which resulted in loss of life. The Committee of Safety now fully organized and equipped, did gallant service and routed the hoodlums wherever they appeared in force. Much property, however, was destroyed, and many were killed and wounded. Twenty Chinese wash-houses were sacked and demolished, but the culminating disaster of the night was the burning of the California warehouses and lumber yards on Beale St. Wharf. This fire is said to have been started by an incendiary. The total loss of property on the burned premises amounts to about \$80,000. Of this sum, \$10,000 is insured in the Hartford Insurance Co., but under the usual riot clause in its policy, the company is not liable. The remainder of the property is uninsured, and

the whole of it will constitute a claim against the city, and be shouldered by the taxpayers. A large pile of cedar was stored south of the fire; had this caught, the Mail docks would have been destroyed. Full particulars of this fire will be found in our fire record in another part of this number. The value of all the Chinese wash-houses destroyed by the mob, is about \$50,000. From this point, the power of the hoodlums waned and became extinct. The preparations made by the Committee of Safety and the municipal and national authorities, had awed the rioters into inaction.

On Thursday night, 3,000 armed citizens were on guard in the streets, but they encountered no antagonism. There were some uncombined demonstrations of disorder, but these were soon suppressed by the ordinary police. The services of the Committee of Safety throughout these riotous proceedings cannot be appreciated too largely.

The Guardian Assurance Company of London, England.

This company, which has only recently extended its operations to the Pacific Coast, stands high in the record of English companies for length of experience. Though not among the oldest of English fire companies, its antiquity is considerable, the date of its establishment being earlier than a half century ago. For careful underwriting its character is not surpassed by any institution in Great Britain.

We find by the official statement to the Insurance Department of California that it has a subscribed capital of \$10,000,000, of which one half is paid up. The assets of the fire department (the company doing also a life business in Great Britain) were on the 31st of December last \$7,590,720.07, and the liabilities in the same department at the same period having been \$743,161.20, there was a surplus as regards fire policy-holders of \$6,847,558.87. The net cash actually received for premiums in 1876 was \$1,046,302.93, and the net amount paid for losses, \$526,049.

The agents for the department of the Pacific Coast are Messrs. Balfour, Guthrie & Co., and the manager of the agency is Mr. William J. Landers.

The figures exhibited by the Guardian in the official statement before referred to show strength throughout, and we consider its establishment among us as an important advantage to our insurance interests.

The Connecticut Fire Insurance Company and its General Agent.

The energetic and intelligent action of this company's San Francisco agent in obtaining the risk on the Oakland school-houses, at 1.47½, for three years, is another instance of unappreciated zeal. That action was promptly repudiated by his principals, who ordered by telegraph that the risk should be canceled. The anxiety of Mr. Hawes to obtain a prize, which was contemptuously rejected by almost all the non-board companies, is ludicrous in the extreme. To make assurance doubly sure, this gentleman put in two bids—one through a non-board agent at 1.45, and another through his Oakland agent at 1.47½. These bids were put in on the 26th of June, but by arrangement with the School Board the policies were not to issue until the 20th of July, in order that their date might not be in too close proximity to that of Mr. Hawes' resignation from the Board of Underwriters, which had been resolved upon and was carried into effect on the 10th of July. The secession of a company so conservative as the Connecticut might have been looked upon as a puzzle of a portentous nature, but by the light of the company's subsequent proceedings, and the letter written by its president, Mr. Bennett (per Simmons, in the July *Spectator*), the anomaly is explained by the inconsequence of the general agent. The withdrawal of a conservative company from the Board would, of course, be regrettable in its moral aspect; but the material interests of the remaining members would not be injured by the amount of the competing

business that could be effected under the present feeble representation of the Connecticut in San Francisco. The president of the Connecticut (for intruding on whose incognito we must plead the exigency of our subject) writes to the *Spectator* as follows:

"The president of one of our companies, who has recently spent some time in investigating matters in San Francisco, and on the Pacific Coast, reports that in spite of the present condition of the National Board, the local board of that city is exceptionally harmonious, having accomplished a great amount of good to the underwriting fraternity and the general public, not only in San Francisco, but throughout the Pacific Coast. It has maintained a tariff of rates continuously for five years; and in the maintenance of equitable rates and correct practice, in the promotion of wise legislation in the State and city government, and in the procurement of punishment for incendiarism, there is no board in the United States which has accomplished more than the Board of Underwriters of San Francisco. Moreover, the North British and Royal, the two leading companies which have been out of the National Board, are thoroughly loyal members of the organization in that city, which of course is a great element of strength to the board. Considering these facts, it is a matter of great regret with the San Francisco board that two companies, whose presidents are represented on the executive committee of the National Board, permit their agents to remain outside of the organization. There is no excuse for a sound company cutting rates or retiring from that board. All the members of the board agree that with one exception the present members of that organization are loyal."

Although the associations of Mr. Bennett, while he was in this city, were more with members of the non-board companies than with his own fraternity, he has made in the main a correct survey of the situation. He is, however, incorrect in stating that there was any exception to the unanimity of the board, and the only exception that has been

recorded since his departure is the intelligent enterprise of this general agent in endeavoring to cut the rates on the Oakland school-houses to the figure that has been mentioned, a figure almost as ridiculous as that which is cut by the general agent himself in the transactions that have been here recorded. It is necessary to mention that the Connecticut was the only board company that tendered for the school-house insurance, the others properly standing on their dignity and refusing to recognize the system of bidding for business. The action of the general agents of the non-board companies, viz: the Manufacturers of Newark and the Security of New Heaven—who wrote on the school-houses concurrently with the Connecticut at 1.45, has also been repudiated by those companies.

In view of the opinions on the San Francisco Board, expressed by the president of the Connecticut in the quoted extract of his letter, it will be interesting to note whether the general agent of that company will be permitted to continue independent of board restrictions. The withdrawal of that agent immediately after Mr. Bennett's departure from this coast is curious, not to say, suspicious.

Henry Balzer & Co.'s Insurance Agency.

The history of fire insurance in regard to those Eastern cities which have been destroyed by fire during the present decade demonstrates the propriety of encouraging the representation of such foreign companies as are supported on a substantial basis. In this category we have no hesitation in placing the Swiss companies and the Swedish company, which by the enterprise of Messrs. Balzer & Co. have established departments on the Pacific Coast. The names of these are respectively the Helvetia Swiss and the Svea. The gentlemen before named are also agents for the Helvetia General, the Baloise, and the Switzerland, which do only the business of marine insurance.

THE HELVETIA SWISS FIRE INS. CO.

Hails from St. Gall, in Switzerland, and has a paid-up capital of \$474,652, the balance of its subscribed capital of \$2,000,000 being represented by endorsed notes. The assets on the 31st of December, 1876, were \$746,277.96, and the liabilities, \$205,201.37, showing a surplus of \$541,076.59. The premiums written in that year were \$548,872.63.

THE SVEA FIRE INS. CO.

Is from Gothenburg, in the kingdom of Sweden. The figures which are presented in the statement made to the California Insurance Department on the 31st of December last constitute a very satisfactory exhibit. The paid-up capital is \$600,000; assets, \$1,592,439.29; liabilities, \$298,862.04; surplus, 1,293,577.25; the premiums written in 1876 were \$748,584.44.

THE HELVETIA GENERAL INS. CO.

Is also of St. Gall. It has a cash capital of \$672,210; assets, \$1,226,516.57; liabilities, \$431,766.60; surplus, \$794,749.97. Premiums on marine risks written in 1876 were \$1,007,360.53.

THE BALOISE MARINE INS. CO.

Is located at Basle, in Switzerland. Though comparatively a small company, its financial exhibit is indicative of sufficient stability. The capital paid up is \$200,000; assets, \$476,421.10; liabilities, \$123,724.54; surplus \$352,696.56. Premiums written in 1876, \$591,809.17.

THE SWITZERLAND MARINE INS. CO.

Is from Zurich, Switzerland. In proportion to its paid-up capital—\$200,000—it has succeeded in transacting an extensive business and in accumulating large assets. These amount to \$800,448.37, and the liabilities being \$325,579.87, there is a surplus of \$474,868.50. The business of the year 1876 is represented by a premium total of \$945,041.47. The risks written in California in that year were \$2,085,752.36.

The operations of Messrs. Balzer & Co. on this coast have evinced that the companies represented by them occupy a favorable place in the public estimation.

Farnsworth & Clark's Insurance Agency.

These gentlemen have been instrumental in introducing to the insuring public of the Pacific Coast some of the best companies from the Eastern States, and they have also under their management the agency of a British company in first-class standing. The following information in regard to all the companies of which Messrs. Farnsworth & Clark are the managing agents is compiled from the official record made by the Insurance Commissioner of the State of California for the year ending December 31, 1876.

FANEUIL HALL,

Located in Boston, Mass., has a capital of \$400,000, all paid up. Its assets at the date before mentioned were \$519,902.41, and its liabilities, \$123,429.85; consequently there is a surplus as regards policy-holders of \$396,472.56. The net amount of fire risks written during the last year was \$16,368,170, corresponding to a premium total of \$245,774.37. A fair proportion of this business was effected by the Pacific Department. The fire losses incurred during the year were \$116,024.16.

THE GERMAN-AMERICAN

Is a New York company, which was organized and is supported by some of the wealthiest importers of that city, both German and American. Its paid-up capital is \$1,000,000; assets, \$2,226,552.97; liabilities, \$554,862.13; surplus therefore, \$1,671,690.84. Premiums written during the year, \$992,807.48; losses in regard thereto, \$400,206.04. It will be seen from the foregoing exhibit that the experience of this company in regard to percentage of losses to premiums received is very favorable. That percentage is considerably below the aggregate average of all the companies doing business in New York. The capital stock of this company is invested entirely in United States securities.

THE CITIZENS' INSURANCE COMPANY

Is of St. Louis, Mo., and though of small calibre, comparatively, as regards capital,

presents an exhibit of satisfactory solidity. The cash capital is \$200,000; assets, \$423,146.29; liabilities, \$111,068; consequent surplus, \$312,078.29. The premiums written on fire risks in 1876 were \$184,076.87. The Citizens is one of the old companies of the United States, having been established in 1827.

THE LANCASHIRE INSURANCE COMPANY, Of Manchester, in England, has an authorized capital of \$10,000,000, of which \$1,000,000 is paid up. The assets at the end of 1876 were \$4,265,632.20, and the liabilities \$2,452,681.41; there is, therefore, a surplus as regards policy-holders of \$1,812,950.79. The net amount received for fire premiums in 1876 was \$1,501,490.56. This company has a very good record both in Great Britain and in the United States.

Messrs. Farnsworth & Clark are deservedly popular on this coast, and have always managed the business of their agencies with advantage to their principals.

The Fire Department of Portland, Oregon.

Portland is a thriving and progressing city of 14,000 inhabitants, and should stand well on the underwriters' record in regard to its appliances for the prevention and the extinguishment of fires. The fire department, which is volunteer and under the direction of J. H. Lyon, chief engineer, comprises 350 disciplined men, who can be relied upon in case of emergency, and a well organized police for night watching. The machinery and gear, which are in effective condition, consist of one hand and five steam engines, 6,000 feet of hose, 2½ in. opening, and four Babcock extinguishers. The river on which the city is situated, and the contiguous streams, form a source of water supply which is ample for all purposes. The reservoirs, two in number, are about a quarter of a mile from the business centre, and their respective capacity is 3½ million and 1 million gallons. The size of the water mains in the principal streets is from 3 to 8 inches. Connected with the water

mains are 48 cisterns, capable of containing from 8,000 to 40,000 gallons. There are also 20 hydrants placed in the principal streets, at convenient distances. The fire ordinances prohibit the erection of frame buildings within certain limits, and stove-pipe chimneys are not allowed except for temporary purposes, and by the special permit of the Fire Warden. In view of these ordinances, which are well enforced, and of the other conditions which have been detailed, we can reasonably recommend the city of Portland as a favorable field for the operations of the underwriters.

Over-Insurance.

The following bit of news, from the San José *Mercury* of recent date, must be refreshing reading to some of our underwriters, and for that reason we reprint, with a further statement that it is generally understood, that there is a firm in that city representing several first-class companies who never object to the amount of insurance on any property offered. The *Mercury* says:

"Many there are who imagine that corporations having no souls, those of the insurance type are simply created to fleece and be fleeced. If other cities are as unfortunate in the latter respect as is San José we pity the companies. It is unnecessary to minutely specify and single out the fires which have occurred in this city within a few months, where the amount of the insurance upon the property was, to say the least, a surprise to the public. And strange it is that the houses with the greatest proportionate insurance upon either them or the furniture within are the ones to burn down. There is not half the danger of living in uninsured houses that there is after a policy upon them is obtained. It is thus we infer that our insurance companies are altogether too liberal in placing any amount of insurance upon property that may be desired. The practice is not conducive to morality. Many people would like to sell out for their insurance money; and when such a state of affairs exists how nicely arranged are the ways of Providence when the devouring

element comes to the rescue just in time, and the insurance company squares the account. We would not be enigmatical. There are some things we never could find out; and one of them is how among some classes, of people the insurance business can be made to pay.'

The Royal Canadian and the Insurance Department of New York.

The procedure of Mr. Smyth, the Superintendent of the New York Insurance Department, in restraining the Royal Canadian from continuing its business in that State, is generally denounced by the insurance press. There was nothing in the company's position that called for this exercise of authority, although it may be justified by the technicalities of the law. The Royal Canadian has done a successful business in the United States, and has available assets among the States (principally in the State of New York,) to double the amount of its liabilities.

Its Canadian business has not been so fortunate, but prompt measures were taken by the directors for the repair of losses and for placing the company on a basis of undoubted stability. A call of 5 per cent. on its subscribed capital of \$6,000,000 had been readily responded to. One third of this assessment had been paid in, and the remainder was in course of collection. After the fire at St. John's, and indeed while that fire was still in progress, another call had been made on the stock-holders for an additional 5 per cent.; making, with the previous call, \$600,000, a sum sufficient to pay its losses at St. John's and all other liabilities, and to leave also a large surplus. Its loss by the burning of that city was \$340,000.

A few days after that fire, while the directors were providing for the result of this emergency, and were making arrangements to fortify the position of the company generally, Mr. Smyth appeared at the office in Montreal and commenced an examination of its affairs. On the ground of impairment of capital, which was in course of being made good, and by excluding certain

assets which are spoken of as being fairly allowable, the superintendent decided on revoking the license of the company to continue its business in New York. By a *reduction* of its capital, the company has placed it beyond the legal power of Mr. Smyth to compel its exclusion, and this shows the absurdity of a law which makes the impairment of capital a test of safety under every variety of circumstances. Of course an impairment of capital is an indication of unprofitable business, but why a certain company with a million, under an impairment of say 20 per cent., should not have as fair a probability of future solvency as a \$200,000 company with an impairment of 10 per cent., or without any impairment at all, is not to be ascertained by the ordinary rules of financial logic.

The Royal Canadian has been re-instated in New York, to the satisfaction of the insurance interests and the public in general. The action of Mr. Smyth in the affairs of this company, like his suspension of the French Corporation, may be within the scope of his legal power, but in both cases he has used that power harshly and unwisely. *Summum jus, summa injuria.*

A Satisfactory Return.

[From the *Insurance Journal*, Hartford.]

We print elsewhere the table which appeared first in 1874, in the "Insurance Year Book," and which we have since continued in the *Journal*, and which gives, in carefully prepared figures, what can nowhere else be found, the premium receipts of companies, the amounts paid by companies to the insured, and the present assets, less capital stock, which these same companies now hold in trust for the insured, to meet future losses. It is much to be desired at the present time, when so many seem disposed to indulge in unfriendly criticism, and to make the most of the errors and shortcomings of life insurance corporations, that agents should have before them for use these figures, and that the general public, also, should be told of some of the actual achievements of life insurance, and should be put in possession of

the facts upon which the advocates of the business rely when they urge its claims upon that public.

Life insurance is not, and does not claim to be, a creator of wealth. It receives, to return again, as the earth receives sunlight and showers and dew, to return them all again in tree and grass and flowers and golden grain. It is proper to inquire what has been received and what returned, and it is no more than justice to the companies that this information should be put in the hands of every man holding their policies.

The companies included in this table had received, up to December 31, 1876, a total of \$792,252,005 in premiums. This sum includes all the premium receipts from the first day of organization, and so represents to the nearly six hundred and fifty thousand policy-holders then existing, and to those thousands who have gone before and who have abandoned their position as policy-holders, all that life insurance has cost them.

There has been returned to these same policy-holders, first and last, in dividends, death claims and matured endowments, the sum of \$477,850,554. That much is safe. *That four hundred and seventy-eight millions of dollars* has not been squandered upon princely buildings or still more princely salaries. It has gone back to those who contributed it.

But there are still \$314,701,451 to be accounted for, and it is these odd millions, doubtless, which have gone to the bad along with those who had the charge of them. Not at all. These companies can pay off that sum from the amounts invested by them to meet future claims; can pay off their stock-holders, too, and still have the snug sum of \$51,781,582. Where, then, have they got the money which writers are so fond just now of charging as having been spent with reckless prodigality? It has come from the interest account, and the nearly *fifty-two millions* which are still left, after paying back what has been received, represents the interest that remains after paying all expenses.

Perhaps we cannot better illustrate to each man the cost to him of the management of

this receipt and expenditure business, than by assuming that his money in the hands of the companies, and invested by them, has paid an average of seven per cent. interest, and that it is worth that much to him. We have at hand the full statement of one of these companies, and therefore use it as an example. It has received in interest \$24,070,060, and has paid out in expenses of all kinds, excluding taxes, \$10,058,376. If this interest, therefore, was equal to seven per cent., the expense of the business has been to each policy-holder nearly three per cent. on his premiums, while the company has returned him, or has in hand, all the premiums paid with interest at four per cent.

Surely, if this business can be transacted so as to return us four per cent. interest upon our money, we need not complain bitterly of extravagance. That is all government will pay on its bonds, and the insurance is worth something. We do not wish to be understood as saying that each individual who insures will realize any such result. Many will lose, others will pay much more than they receive. That is one of the necessities of the distribution. We have massed these figures simply to show the general result, and not to illustrate particular companies or particular cases. The man who dies early gets for his heirs a large return for his investment; he who lives long helps to pay it. But what we desire to emphasize is the fact that in this general distribution, life insurance companies, as corporations, have taken but a very small fraction of what has been entrusted to them for the expense of managing the trust. And for proof of this we appeal to the figures in this table which we have thus briefly reviewed:

—Mr. Edward Brown, of the firm of Brown & Desmond, general agents for the French Corporation and the Lycoming, is on a visit to the Eastern States.

—The report of the Fire-Marshal for the fiscal year ending June, 1876, has been published, but not in time for our present issue. Tabular statements of all the statistics in the report will appear in our next number.

COMPANIES.	Number of Policies in force Jan. 1, 1877.	Amount of Insurance Out- standing January 1, 1877.	Total Amount, Cash and Note, Received for Premiums, from Organization to Jan. 1, 1877.	Total (Cash and Notes) paid Policy-holders.	Amount invested for Policy-holders Jan. 1, 1877.	Capital Stock.
Fire.....	56,987	\$87,385,555	\$52,970,100	\$31,427,210	\$23,207,649	\$150,000
Berkshire.....	5,531	12,331,015	5,819,081	2,812,640	3,250,646	25,500
Brooklyn.....	4,479	10,532,717	6,177,091	2,833,259	2,360,782	125,000
Charter Oak.....	25,138	52,494,057	37,932,069	23,255,767	13,125,964	200,000
Connecticut Mutual.....	66,618	133,414,408	94,229,133	61,663,320	46,230,714	Mutual.
Continental.....	10,822	13,946,716	7,534,461	2,988,903	3,123,783	300,000
Germania.....	20,296	34,056,313	15,162,105	7,316,376	7,750,762	200,000
Globe Mutual.....	10,994	20,913,024	10,688,052	4,962,667	4,425,295	100,000
Home.....	9,946	19,902,744	9,835,265	5,318,895	4,636,922	125,000
John Hancock Mutual.....	5,591	10,505,729	6,647,470	3,575,919	2,822,001	Mutual.
Kutcherbocker.....	9,569	21,085,703	24,515,015	16,234,533	6,878,084	100,000
Life Association of America.....	12,553	33,810,626	14,122,964	7,803,021	4,480,738	Mutual.
Manhattan.....	12,608	40,083,863	22,308,726	13,428,001	10,006,869	100,000
Massachusetts Mutual.....	14,458	33,803,463	13,379,630	7,253,284	6,480,059	Mutual.
Metropolitan.....	17,508	24,223,764	5,991,907	2,710,116	2,149,003	200,000
Mutual Benefit.....	43,308	131,846,985	69,503,785	47,326,161	33,423,774	Mutual.
Mutual, New York.....	92,125	301,278,037	166,555,834	107,197,458	82,360,189	Mutual.
National, U. S. A.....	10,343	21,619,001	6,307,128	2,269,173	3,010,839	1,000,000
New England Mutual.....	20,212	58,940,326	32,504,907	22,045,389	14,534,567	Mutual.
New York.....	45,421	127,748,473	68,169,458	37,973,108	33,311,414	Mutual.
Northwestern Mutual.....	36,456	67,493,191	29,376,938	14,183,195	18,153,956	Mutual.
Penn Mutual.....	10,643	31,053,301	11,434,907	8,054,099	5,966,386	Mutual.
Phoenix Mutual.....	27,775	52,343,982	25,006,588	13,049,379	10,762,526	100,000
Travelers' (Life Department).....	10,833	19,146,391	3,839,599	1,064,535	2,329,857	600,000
Union Mutual, Maine.....	20,444	40,979,204	20,047,986	11,288,635	8,144,034	Mutual.
United States.....	10,303	20,835,662	11,839,579	7,362,854	4,599,496	250,000
Universal.....	11,300	25,653,085	10,458,616	7,868,643	3,711,121	200,000
Washington.....	10,899	24,346,506	10,193,591	4,539,120	5,185,603	125,000
Total.....	643,160	\$1,521,775,841	\$792,552,005	\$347,350,554	\$366,453,033	\$3,900,500

The Paterson Fire Insurance Company.

The directors of this concern have resolved to wind it up, and to apply for the appointment of a receiver. It is reported that all the capital has been dissipated by reckless underwriting, and that the assets will be far from sufficient to reinsure the outstanding policies. The records of this institution tell a story of incompetency and dishonesty, disgraceful not only to the manager and officers, but to the legislative system under which it was permitted to exist. What was not squandered by the ignorance or carelessness of the management seems to have been purloined by the agents in general. The general agent on this coast, C. H. Denison, helped himself to from \$10,000 to \$12,000; and about \$10,000 was appropriated by the New York agents; and perhaps as much more has been lost in a general scramble in other parts of the country. The agency in San Francisco was used principally by brokers of the slyster and scalping sort.

July Fires on the Pacific Coast.

The fires on this coast during the month of July this year were quite numerous, and some of them of considerable magnitude. With the drouth and general depression in business before them, the insurance companies expected at least an average monthly outlay for losses this year, but we are inclined to the opinion that July has rather overreached their expectations. It is true that there has been nothing approximating a general conflagration, the Lick House in this city furnishing the largest blaze during the month.

The losses by fire throughout the interior of this coast are on the increase, and while we do not wish to charge, in any particular case, dishonesty on the part of the insured, yet there is one fact which cannot be denied, viz: that there is a disposition on the part of many to dispose of depreciated stock or building for cash, and coal-oil lamp explo-

sions, defective stove-pipes and "cause unknown" are quite frequent. With these facts before them, the companies might do well by "pushing" the country business a little slow, for a couple of months at least.

Below we give the fire record for July and a careful perusal of the same is quite sufficient evidence to prove the truth of the statements above made.

THE LICK HOUSE FIRE.

On the 22d of July a fire broke out in the roof of that portion of the building fronting on Sutter Street, and is supposed to have originated from a defective flue, as the point where the fire was first discovered is immediately over the kitchen. The Lick House comprises two separate buildings, connected by bridges, and it was the rear division fronting on Sutter which was damaged. The most elegant as well as commodious dining-room on this coast, was that of the Lick House, and it was this portion which received the principal damage.

The Fire Patrol did excellent service in covering goods in stores below and furniture in the rooms above, spreading 168 covers where they did the most good.

The damage to the Lick House property is estimated by those interested at about \$50,000.

On the day following the fire, the underwriters interested met and each one named a representative adjuster. This course, it was thought, would give more general satisfaction than the plan heretofore practiced in case of large losses, of appointing a committee of three to represent all the companies. The representative adjusters subsequently held a meeting and appointed sub-committees to adjust the several departments, as follows: on building, Messrs. Bromwell, Staples and Ferry; on furniture, etc., Messrs. Clark, Callingham and Snow; on pictures, Messrs. Dornin and Hart. The committees are now engaged in the adjustment, and while it is true we could approximate the loss to the companies, yet we shall withhold any comments till the final adjustment is made. Following is the insurance on the damaged wing of the building and contents:

	Build'g.	Furn.	Boiler & Eng.
Rhode Island Ins. Ass.,			
R. I.....	\$1,280	\$280	\$40
Phoenix of Hartford.....	1,280	280	40
Home, New York.....	1,280	280	40
Fireman's Fund, S. F.....	1,920	420	60
Hamburg-Bremen.....	3,840	960	...
German-American.....	2,560	640	...
Lancashire.....	2,560	640	...
Scottish Commercial.....	2,560	640	...
Royal Canadian.....	2,560	640	...
Phoenix of Brooklyn.....	1,920	480	...
British America, Toronto	1,920	480	...
Underwriters' Agency,			
New York.....	1,920	480	...
Commercial Union.....	1,280	320	...
New Zealand.....	2,560	640	...
Commercial Union.....	2,560	640	...
Total.....	\$32,000	7,820	180

In addition to the Lick House damage, the stock of cloths and trimmings of Reiss Bros., the stock of A. Roman, stationer, and a confectionery stock under the Lick House were damaged and settled for by the following companies:

REISS BROS.

Liverpool & London & Globe.....	\$800
Commercial Union.....	300
North British & Mercantile.....	240
Imperial and Queen.....	320
French Corporation.....	120
Royal Canadian.....	140
Svea.....	280

A. ROMAN'S STOCK.

Franklin, St. Louis.....	\$1,182
--------------------------	---------

CONFECTIONERS.'

Home, New York.....	\$250
---------------------	-------

COSMOPOLITAN HOTEL AT PORTLAND.

On the 28th ult., a fire, originating from some defect in the kitchen of a restaurant in the hotel building, caused the destruction of this favorite and popular hotel and contents.

The proprietor of this establishment, Mr. Dan Halon, has a wide acquaintance, and by his genial welcome always extended to the insurance fraternity, has so ingratiated himself into the good-will of this class of travelers as to almost entirely monopolize the trade; his loss consequent by the fire, must be as serious as the loss of his property, and insurance men generally express for "Dan" a lively sympathy and regret that this misfortune has overtaken him.

Messrs Geo. Woodward, of the Phoenix, and Geo. Grant, of N. B. and M., are already engaged in the adjustment. The loss on building is unquestionably total, with a very slim chance for salvage on contents.

The insurance is as follows:

Liverpool and L. & G. (building).....	\$4,000
Phoenix, Hartford (contents).....	3,000
North B. and M. ".....	1,500
Commercial Union ".....	2,000
Union, S. F. ".....	2,000
Insurance Co. of N. A. ".....	1,500
Continental, N. Y. ".....	1,000
Royal, Liverpool (restaurant).....	2,000
Total.....	\$17,000

SACRAMENTO.

On the 14th of July a fire broke out in the winery of the Orleans Hills Vinicultural Association, located on B Street, between Tenth and Eleventh. The building contained about 600 tons of hay, belonging to different parties, and 10,000 gallons of wine, belonging to Carroll & Co. The fire was caused, it is supposed, by fire from the pipes of tramps, and the total loss was about \$20,000.

The insurance losses on building, hay and wine were \$14,300, in the following companies:

Imperial and Queen.....	\$5,000
Union, S. F.....	2,500
Insurance Co. of N. A.....	1,000
Pennsylvania.....	1,000
American, Philadelphia.....	1,000
Home, Columbus.....	1,000
Ætna, Hartford.....	1,000
St. Paul, Minn.....	1,000
People's, N. J.....	800
Total.....	\$14,300

VIRGINIA CITY.

July 19, a fire destroyed the Washoe House, 204 South C Street, and contents, the building adjoining, and damaged a drug store and stock. Total loss, about \$23,000. Insurance was paid as follows:

Manufacturers', N. J.....	\$1,500
Security, New Haven.....	\$1,500
State Investment, S. F.....	1,575
Jefferson, St. Louis.....	1,000
Home Mutual, S. F.....	1,333
Amazon, Cincinnati.....	666
Commercial, S. F.....	666
French Corporation.....	862
Lycoming, Pa.....	862
Total.....	\$9,964

MARYSVILLE.

July 16, the warehouse of W. H. Knight, the Denton House with contents, and several smaller buildings, with about \$50,000 worth of property belonging to the railroad company, were burned; cause, incendiary. Insurance paid.

Imperial and Queen (warehouse and contents).....	\$2,400
State Investment (Denton House and contents) 878	
California..... " " "	1,200
French Corporation " " "	878
Lycoming " " "	246

Total..... \$5,602

On the 4th of July, a fire destroyed the residence building of a Mr. Norton and its contents, which belonged to J. B. Wheeler, at Los Angeles, Cal.

Liverpool & London & Globe... (building)	\$3,250
Hartford..... (contents)	1,990

July 5, the carriage factory and contents of S. Mock at San Jose, were burned.

Royal Canadian.....	\$1,400
---------------------	---------

On same day, at same place, a fire destroyed a wine depot and factory for boxing fruits.

Commercial Union.....	\$760
-----------------------	-------

July 5th, a defective flue caused the destruction of a two-story frame building in Virginia City.

Watertown, N. Y.....	\$900
----------------------	-------

On the 27th of June, a residence at Sutter Creek was burned.

Ætna.....	\$2,800
-----------	---------

July 2d, a fire at San José destroyed a boarding house and contents.

Hamburg-Magdeburg.....	\$1,445
------------------------	---------

A fire destroyed a residence about six miles from Stockton, but we are unable to learn the company which had \$600 insurance on it.

On the 13th of July an incendiary fire destroyed a barn with two tons of hay, belonging to Mr. Towne, at Point St. Pedro, Marin Co., Cal.

North British and Mercantile.....	\$1,625
Phoenix, Hartford.....	1,025

July 19th, a fire destroyed the Pomona Hotel, at Pomona, causing a loss of about \$12,000.

Home Mutual.....	\$3,000
------------------	---------

At San José, July 22d, a fire destroyed a large stock of goods belonging to Mendel Isaacs. Loss about \$10,000.

Liverpool and L. & G.....	\$5,000
---------------------------	---------

At Eureka, Nevada, on the 6th of July, a fire destroyed a saloon, dwelling and blacksmith shop.

Home Mutual, S. F.....	\$1,200
Commercial Union.....	900
Merchant's, N. J.....	550
American Central, St. Louis.....	300

July 20, a dwelling at Los Angeles was burned.

Hartford (building).....	\$400
New Zealand (furniture).....	357

July 19, a brick saloon and contents were burned at Ventura, Cal.

Royal Canadian.....	\$786
New Zealand.....	558
Berlin-Cologne.....	558

The residence and furniture of P. O'Donnell at Santa Cruz were burned on the 15th of July.

Ætna.....	\$275
-----------	-------

On the 14th of July, a fire caused by the explosion of a barrel of bad whisky, damaged a stock of general merchandise belonging to Walter & Co., at Silver City, Nevada.

Liverpool and London and Globe.....	\$1,372
London Assurance.....	499
Continental.....	299
Insurance Co. of North America.....	309
Pennsylvania.....	299
Commercial Union.....	551

July 20, a dwelling at Los Angeles was burned.

Hartford (building).....	\$800
Royal Canadian (furniture).....	1,100

July 5, the dwelling of Architect Ball and furniture on Adeline Street, Oakland, were burned.

Home Mutual, S. F.....	\$1,300
French Corporation.....	557

A fire at Winnemucca, Nevada, on the 10th of July, destroyed the Odd Fellows' Hall building and regalia in Hall.

Security, New Haven.....	\$1,500
Home Mutual, S. F.....	1,956

July 4, a fire, caused by defective stove-pipe in this city, destroyed a dwelling.

California Farmers.....	\$1,150
-------------------------	---------

On the 6th of July a quartz mill at Reno, Nevada, was damaged by fire.

California Farmers.....	\$1,300
-------------------------	---------

A fire caused by tallow boiling over on kitchen stove destroyed a dwelling at Vallejo. Commercial, S. F. \$500

July 2d, a barn and contents at Blacks Station, were entirely destroyed, carelessness, with matches the cause.

California Farmers.....\$1,250

July 31st, Mayfield, California, barn and contents. Incendiarism supposed.

Commercial Union.....\$2,437

July —, near Honcut Station, dwelling.

Commercial Union.....\$750

July 17, 334 and 336 Sixth Street, city, frame building.

State Investment.....\$1,000

Hamburg-Bremen.....1,100

California Farmers.....600

July 28, San Pablo, nine buildings and contents. Fire originated in a barber shop.

State Investment.....\$645

Home Mutual.....800

Royal Canadian.....300

Faneuil Hall.....1,000

Amazon.....170

July 5, Visalia, dwelling, caused by a defective chimney.

Liverpool and L. & G.....\$1,000

Royal Canadian.....500

July 18, Sonora, Cal., a small building.

Liverpool and L. & G.....\$1,201

July 26, Colusa, dwelling.

Liverpool and L. & G.....\$500

July 25, Yuba City, barn and contents.

Liverpool and L. & G.....\$2,100

July 22, Mendocino, dwelling.

Liverpool and L. & G.....\$500

July 31, San José, dwelling.

London and L. & Globe.....\$400

Commercial Union.....400

July 23, Tehema, dwelling.

Home Mutual.....\$1,100

July 26, Del Norte, Colorado, hotel, caused by explosion of coal-oil lamp.

California.....\$1,000

July 5, Stockton, dwelling.

Royal Canadian.....\$1,435

June 28, Portland, Oregon, furniture.

Royal Canadian.....\$540

July 13, Sonora, Cal., saloon.

Home, N. Y.....\$318

July 24, Carson, Nev., dwelling.

Home, N. Y.....\$650

July 31, Telegraph Avenue, Oakland, grocery, kept by Fernandez.

N. Br. and Mercantile, (on building.....\$1,800

" " " " (on stock).....750

Royal Canadian, " ".....500

July 25, at Fiddletown, a house, barn, and contents of each.

California Farmers'.....\$1,061

—The total loss by the recent fire at Marblehead, Mass., is said to be \$500,000. About one half is covered by insurance, as follows:

Holyoke, of Salem.....\$15,000

Firemen's.....5,000

Commonwealth.....20,000

Shoe and Leather.....7,000

Manufacturers'.....4,000

Elliott.....1,400

Traders' and Mechanics', of Lowell.....8,000

American.....1,500

Scottish Commercial.....3,500

Manhattan.....8,500

Amazon.....7,500

Washington.....4,200

Franklin.....2,500

Prescott.....2,500

Merrimac, of Andover.....5,000

Etna.....10,500

Connecticut.....10,000

National, of New York.....2,000

Sun.....4,000

Buffalo.....7,000

Philadelphia.....1,000

Shawmut.....5,000

Home.....5,000

Meriden.....1,500

Union.....1,500

Imperial and Northern, of London.....4,000

Atlas.....3,000

North British.....500

Phoenix.....10,000

Commercial Union, of London.....1,500

Germania.....2,500

First National, of Worcester.....2,500

Guaranty, of New York.....2,500

—Dave Rorick, Esq., for the past few months general agent on this coast for the American Central and St. Joseph Ins. Co's, has placed the agency of the two companies in the hands of Mr. J. R. Hamilton, and returned with his family to St. Louis, where he will engage in special work for the American Central. Mr. Rorick is a genial and courteous gentleman, and altogether a clever fellow. He leaves many warm friends in Frisco and elsewhere on this coast, whose best wishes for his success go with him to his old home in the States.

CHIPS.

—A referee has been appointed to determine the question of the Universal's solvency.

—Lawyers' bills in the Continental receiver matter, as far as they have been heard of, amount to \$35,000.

—A life insurance company has been organized in Bombay, India. It is propertied by native Hindoos.

—The fire brigade of Edinburgh, Scotland, use a newly-invented respirator, which averts the danger of suffocation from smoke and noxious gases.

—A new fire escape has been invented. It is said that it will sustain a weight of four hundred pounds, and can be folded into a compass not too large for an ordinary coat-pocket.

—The Chicago Packing and Provision Company keep up \$1,500,000 insurance; Field, Leiter & Co. about the same amount; Farwell & Co., \$1,000,000; Potter Palmer's hotel, \$750,000.

—The Canada Fire and Marine Ins. Co. declined to pay a reinsurance loss to the Northern Assurance Company, on the ground of misrepresentation of rates charged and amount carried by the latter. Verdict for the Canada company.

—Receiver Henry R. Pierson, of the Guardian Life Ins. Co., has brought suit against Furber and his accomplices, to compel the disgorgement of plunder referred to in our editorial on the Universal Life, which appears in another part of this number.

—The Mutual Benefit Association of Springfield, the Centennial Mutual Relief Association, and the Mutual Benefit Life Association, all of Ohio, and all co-operative, have died of inanition. Verdict, "I told you so."

—The receiver of the North America Life seeks to recover from the Insurance Department of New York \$1,150,980 amount of reserve, deposited there to secure registered policies. This amount, we believe, was a special reservation for the security of

certain policies, and it is doubtful whether it can be merged in the general assets.

—The loss by the St. John's fire is said to be about \$15,000,000. Insurance, \$6,000,000.

—Josephine Veith sues Shrook & Palmer for \$5,000 value of her husband's life, which was lost in the fire at the Brooklyn theater.

—Alfred Perry, founder and manager of the Royal Canadian Insurance Company, has retired from the management. Ill-health is reported as the cause.

—From 1867 to 1876 the railroad mileage of the United States has nearly doubled, while the population has increased only 23 per cent.

—The hundredth anniversary of Adam Smith's publication of the "Wealth of Nations" was celebrated last year by the Political Economy Club of London.

—The forty-seven National Banks of New York City have an aggregate capital of \$66,400,000. The largest capital, \$10,000,000, is held by the Bank of Commerce.

—The *Banker's Magazine* for July estimates the population of the Pacific Coast at 1,280,000, and the population of the United States at 44,736,850. These figures are for 1876.

—The New York *Underwriter* says that "Dame Rumor" hints at a transfer of the business of the Life Association of America to some reputed golden dustmen of the Pacific Slope.

—Mr. G. E. Butler, manager of the Pacific Department of the London Assurance Co. and of the Western Assurance Co., has received a testimonial from the Union Insurance Co., with which he had been connected for many years. This testimonial is in the form of a printed resolution expressive of high regard for the recipient, and regret at his having left the service of that company. The resolution is bound up in a morocco-bound silk-lined book, which is one of the most elegant specimens of the binder's and decorator's art that we remember to have seen.

—The Mutual Life Insurance Company of New York has reduced the rate of interest on loans to 6 per cent.

—The New York Insurance Department will cause an examination into the affairs of all the life companies in that State.

—R. H. Orton has connected himself with Mr. Belden in the city agency of the Hartford Ins. Co., the firm-name being Belden & Orton.

—The firm of Jennens & Grant, general insurance agents at Salt Lake City, has been dissolved, Mr. H. J. Grant continuing the business. The agency represents several of the leading companies of the country.

—The action of the New York Department in excluding the Royal Canadian Insurance Company from business in that State is considered unjust. The *Chronicle* hopes that the Superintendent will reinstate that company without delay.

—The Mutual Life Insurance Company of New York has declared that all policyholders in that company are permitted to serve as special constables, or in any other capacity for the maintenance of civic order, without prejudice to their policies.

—A dispatch from Hartford dated August 5th, states that the adjusters have completed the settlements of losses at the St. John fire. The total amount to be paid by insurance companies is \$6,736,000. Of this, English companies will pay \$4,822,000; Canada, \$1,469,000; American, \$445,000. The latter amount is divided between the *Ætna* of Hartford, \$240,000; Hartford, of Hartford, \$140,000, and *Phoenix* of Brooklyn, \$65,000.

—Since going to press with the form which contains a notice concerning the action of the S. F. agent of the Connecticut and its president, Mr. Bennett, we have, we are glad to say, received reliable information to the effect, that the Connecticut has, in decided terms, ordered the S. F. agent to return to the Board. This is as it should be, and no more than we anticipated, in view of the former practices of that old and thoroughly conservative institution.

—The first suit against the city for damage sustained during the late riots was commenced on the 27th of June. The plaintiff keeps a grocery store on corner of Turk and Leavenworth Streets. Damages claimed, \$700.

—The Auditor of Public Accounts for the State of Illinois will please accept our thanks for his annual report on fire and marine insurance for 1876. The number of companies authorized to do business in that State was 200, of which 11 were home, 174 from other States, and 15 foreign.

—W. H. Wickham, receiver of the Security Life Insurance Company, states in a circular that the 3rd of September next will be the last day for the presentation of claims. The liabilities of that company are \$4,101,536.64, and the assets, \$1,877,208.15. More than four-fifths of this item are premium notes and loans on policies.

—Will the presidents of the Clay Street Bank, Humboldt Bank and Odd Fellows' inform their directors the number and amount of policies in the "busted" Paterson Insurance Co. held by their respective institutions as collaterals? This company not only paid *large* brokerages, but gave their agents *unlimited* power, and the officers can now safely advertise "unlimited liabilities."

—The following question which was sent to the secretary of the Underwriters' Association of the Pacific, is published in the *REVIEW*, in order that members who desire to take part in the discussion may have time to "digest" the subject before the day of meeting:

SAN FRANCISCO, July 27, 1877.

J. W. Staples, Esq.,

Sec. of the F. U. Ass. of the P.

DEAR SIR: Please take notice that I shall propose the following question at the next meeting of the Association, to be argued upon by those who "chews," viz:

If the underwriters rate raw tobacco stocks as low as one per cent., how high can they expect to rate extracts of tobacco produced in the ordinary way?

Respectfully yours,

A MEMBER.

—The Fire Re-Insurance Corporation of London received in 1876 net premiums amounting to \$360,000. The losses were something less than 50 per cent. After paying the stockholders a dividend of 6 per cent. on the year, there was a reserve of \$48,750.

—The National Burglar and Theft Ins. Co., located in the City of New York, sends us a form of policy. One of the conditions excludes the insurance of money, bullion, jewelry, precious stones, gold, silver, stocks, bonds, and other evidences of debt. The other conditions also are sufficiently stringent, but not inequitable.

—The Ridgely National Bank of Illinois was "stuck" with a counterfeit \$1,000 bill. It was so well executed that it deceived many city bank experts, and was only detected by the Department at Washington. The holders believed that they received it from the State National Bank in clearance, and brought suit against the latter to recover. The evidence, however, was not clear, and the jury disagreed.

—Mr. Ferry, special agent of the New Zealand Insurance Company, has gone to Oregon for the purpose of organizing an agency in that State; \$50,000, as required by law, will be deposited with the State Department. The New Zealand has made a good record in California, and we recommend it to our web-foot brethren. Its paid-up capital is \$1,000,000; assets, \$1,590,163; surplus, \$1,190,556.

—*L'Argus*, a useful and well-written insurance journal published in Paris, furnishes the following decision: "One Perney had an accident policy in La Seine Insurance Company, and was pitched out of his cart by collision with an omnibus. The latter was in fault. The company paid Perney his indemnity, but claimed the right of subrogation against the omnibus company, which owned the aggressive vehicle. The claim was heard by the Tribunal of Commerce, which gave damages for the insurance company. On an appeal to a higher court, the Tribunal's decision was affirmed.

—*L'Argus* furnishes tables of insurance companies of every description doing business in Europe. France has 107 companies; Great Britain and Ireland, 111; Germany, 83; Austria and Hungary, 21; Switzerland, 17; Russia, 18; Belgium, 13. The list of miscellaneous companies, which probably is not complete, reports, Italy, 6; Spain, 1; Roumania, 2; Norway, 2; Sweden, 2; Denmark, 2, and Greece, 1.

—Our friends "manufactured, unmanufactured, and in process," who have been conducting their controversy in the columns of the *COAST REVIEW*, will please bear in mind that the life of man is of short duration, and that the business to be transacted within that limited period is vast and various. We therefore urge them to consider that a fair share of our existence has been devoted to the matter in question; and they are requested to favor us with communications on some other subject.

—On the 16th of May, 1875, the saloon building and lodging-house furniture of one Julia Picot, of North Bloomfield, Nevada Co., Cal., were destroyed by fire. There was insurance in the Scottish Commercial for \$1,500. There were suspicious circumstances attending the origin of the fire, and the company disputed the claim, on the ground of change of possession and fraudulent representation of value. Judgment has been given in the Twelfth District Court for \$500, without interest. The company had offered to settle for this amount out of court.

—The Trust Fund Insurance Association of this city—general agents for the New York Life Insurance Co.—has recently extended its operations into Colorado, where a very large business has already been done, and the initiatory steps taken by which that field will be most successfully worked. Arrangements have been completed with the German National Bank, of Denver, one of the strongest financial institutions of the State, by which it receives *all* the Trust Fund deposits in Colorado, and the officers of that bank have taken special interest in forwarding the enterprise by issuing a circular to its stock-holders, in which the ad-

vantages of the Trust Fund system are fully set forth, and asking the co-operation of all the stock-holders. With the New York Life Insurance Co. to furnish the policy contract and the German National Bank to receive and issue certificates of the deposit, the Trust Fund system is rapidly becoming popular with the citizens of Colorado.

—The following dispatch we clip from the New York *Herald* of July 24:

"ROYAL CANADIAN INS. CO. CLAIMS.
Montreal, July 23, 1877.

The directors of the Royal Canadian Insurance Co. to-day issued instructions to its agents in the United States and Canada to pay every adjusted claim against the Co. at once."

It is sufficient to state that every dollar of losses on this coast of this company has been paid *promptly* on the filing of proofs.

—The editor of the COAST REVIEW acknowledges the receipt of a "heartly and cordial invitation" from the secretary to attend the eight annual meeting of the Fire Underwriters' Association of the Northwest, to be held in Chicago on the third Wednesday in September, and hereby tenders thanks for the invitation, and expresses regrets that on account of the great distance and the "stringency of the money market," caused by the destruction of railroad property in East and Chinese wash-houses in this city, it will be impossible for him to be present at said meeting. His best wishes, however, for an interesting and profitable gathering are with you, gentlemen.

—The general agent of the Royal Canadian Insurance Co. for this coast, Mr. W. J. Calingham, handed to the editor of this paper a letter from the home office of this company, under date of July 27th, in which it is stated that the St. John losses have been *paid in full*.

The present financial standing of the company may be stated as follows: The original subscribed capital was \$6,000,000, of which 10 per cent., \$600,000, was paid up in cash. In May, 1877, the subscribed capital was reduced to \$2,000,000. To meet liabilities and losses, a call of 5 per cent. on the

original \$6,000,000 was made; and subsequently, immediately after the St. John fire, and to meet the heavy losses sustained there an additional 5 per cent. call on the original \$6,000,000 subscribed capital was made, making in all \$1,200,000 paid in by the stock-holders. In order to meet the requirements of the New York law and avoid *technical* impairment, the capital stock paid up has been reduced to \$300,000. Taking this view of the situation, the companies' liabilities, *including* the \$300,000 paid capital, are \$810,000, leaving a *net* surplus over paid capital of \$390,000, or a surplus to policy-holders of \$690,000.

—The world's stock of silver money amounts, it is said, to \$3,000,000,000.

—We clip this from the New York *Mail*: H. J. Furber says that the Associated Press telegram forwarded from this city, that he "had fled to Europe," is false, and that he does not now contemplate and never did contemplate any such trip. He said he intends to "remain on the ground and to fight to the bitter end all the suits that are pending or may be brought against him."

—The life insurance fraternity will miss from their ranks the genial face and kindly smile of Daniel B. Arrowsmith, who died at Napa, on the 8th ultimo. He was for many years connected with the agency of the New York Life Insurance Company in this city, and had a large circle of friends and acquaintances among old Californians. He was buried from the Masonic Temple, having been a member of Occidental Lodge of that fraternity.

—By the courtesy of Orwin T. Welch, Superintendent of the Insurance Department of the State of Kansas, we have his report on fire and marine insurance for the fiscal year ending July 28, 1877. At that date the number of companies authorized to do business in that State was sixty-two—viz: two home companies, forty-eight from other States, and twelve foreign. The report is well written, and contains some valuable suggestions under the head of "Policy-holders' Interest."

—The St. John's fire destroyed totally and partially 39 streets and squares, extending over an area of two hundred and ninety acres.

—Issaac J. French, of New York, has been appointed referee, to take testimony for appraising the securities of the Universal Life Insurance Co.

—The life insurance companies of Pennsylvania, at the end of 1876, had in force 31,128 policies, insuring \$79,420,774; the premium income is \$2,801,407.

—In the case of the Connecticut Mutual Life Ins. Co., in error, *vs.* Schwenk, the U. S. Supreme Court has decided that the claimant for death loss is not bound to furnish proof of age unless it is so stipulated in the policy.

—"Dutch William," as Carlyle calls him, took for his motto, alluding to the crown which the English Revolution had placed on his head, "I did not steal it, I received it," on which Dean Swift remarked "the receiver's as bad as the thief." Policy-holders in the Continental, Security and their congeners, please make the application.

—The vice-chancellor at Newark, N. J., has granted an injunction to prevent the Citizens Fire Insurance Co., of that city, from doing further business, and ordered the company to show cause why the injunction should not be made permanent. The assets are stated at \$301,976 with liabilities of \$362,444, which last item includes \$200,000 paid-up capital. The policy-holders are protected and will be re-insured.

—At a meeting of the gentlemen representing the several life insurance companies in Hartford, a sub-committee, consisting of J. L. Greene, Secretary Connecticut Mutual; Thomas O. Enders, President Aetna Life; and Gustave T. Davis, Vice-President of the Travelers, was appointed to conduct the proposed examination into the affairs and assets of the Charter Oak Life. This is a capable committee, and the policy-holders will have confidence in the report which these gentlemen may submit. The policy-holders' meeting appointed as their committee, Elisha Johnson, D. W. C. Skillton,

Secretary of the Phoenix Fire, and J. M. Allen, President of the Steam Boiler Insurance Company.—*N. Y. Mail.*

—The City of Cheyenne is to have water-works, they are expected to be in operation about the 15th instant.

—Mr. James Jackson is the receiver of the Paterson Fire Insurance Company. The assets of that company are reported at \$190,000, and the liabilities \$200,000.

—The *Insurance Age* says that "a monument to the late Edgar A. Hewitt is to be erected in Cedar Grove Cemetery, New London, Conn., by the insurance journalists of this country.

—Mark A. King has been recently appointed agent at Portland, Oregon, for the Queen and the Imperial insurance companies. In addition to these, he represents the Northern, and the Liverpool and London and Globe.

—Counsellor Averill, whoever he may be, has a claim against the Continental Life Insurance Co. Application was made to restrain Receiver Grace from paying over the funds of this company to his successor, Mr. O'Niel, until the counsellor's claim was satisfied. Judge Barnard denied the application.

—Wreckers of life insurance companies are to be found where least expected. State supervision—that sweet little cherub that sits up aloft—more than any other influence or cause is responsible for the doubt and want of confidence in the institution of life insurance now so wide spread and disastrous to the interests of policy-holders. Inscrutable are the ways of State supervision. A law unto itself, it fulminates its orders and makes its valuations regardless of consequences. Ordinary methods of valuation are discarded and arbitrary ones adopted. An instance will illustrate. The Life Association of St. Louis has a mortgage of \$25,000 on a church in Buffalo; the church cost, and is valued at, \$75,000; an appraiser of an insurance department set it down worth \$2,500, just ten per cent. of the face of the loan. Further comment is needless.

—The United States Fire Insurance Co., of St. Louis, has re-insured all its risks in the Scottish Commercial.

—E. R. Wiggin, late president of the Charter Oak Life Insurance Co., has sued the *Hartford Daily Courant* for libel; damages claimed, \$100,000.

—The total debt of the United States was, on the 30th of June, 1877, \$2,060,158,013, a decrease of about thirty-nine millions from the same term last year.

—The amount of greenbacks in circulation on the 30th of June last was \$359,818,294.

—The traffic and toll receipts of the Suez Canal for 1876, were \$5,994,399.

—Samuel D. Ward, the receiver of the Republic Life Ins. Co., of Chicago, offers for sale and invites for thirty days proposals for the purchase, in lots of any amount, of the 10,000 shares of the capital stock of the National Life Ins. Co. of the United States of America, par value \$100 per share, being held by the Republic Life as one of its principal assets.—*Chronicle*.

—Senator Eaton, of Connecticut, has undertaken voluntarily and without recompense to act as attorney to policy-holders in the Charter Oak Life Ins. Co., living in the various parts of the country, and has publicly promised to protect their rights and assist in saving the company.

—It is hardly necessary to state that the local authorities, and not the insurance companies, will have to meet the losses occasioned by the recent incendiary fires started by the riotous strikers at Baltimore, Pittsburg, San Francisco, and other large cities where the mob fire fiends operated.

—The *Chronicle* of New York furnishes for the month of June last its monthly list of fire losses throughout the United States. The recapitulation is as follows:

June.	1877.	1876.
Aggregate losses.....	\$6,958,100	\$6,098,900
“ “ to Ins. Cos.....	4,280,400	2,951,100
“ “ by Specials.....	4,370,200	3,486,800
“ “ to Ins. Cos.....		
“ “ by Spec's.....	2,573,200	1,840,500
Number of fires.....	840	573
Number of Specials burned.....	455	202

—The Glens Falls Insurance Co. sends us its fifty-fifth semi-annual report, showing assets, July 1, \$839,313, of which, \$339,-899 is net surplus over capital and all liabilities.

—The latest quotations of insurance stocks are as follows:

HARTFORD.		
<i>Life Insurance.</i>		
	Bid.	Asked.
Ætna.....	450	@ 500
Continental (par \$25).....	25	@ 25
General Life.....	91	@ 92½
Hartford Life and Annuity.....	60	@ 62
Travelers'.....	165	@ 170

<i>Fire Insurance.</i>		
Ætna.....	208	@ 210
Atlas.....	60	@ 62
Hartford.....	208	@ 210
Phoenix.....	178	@ 180
National.....	137½	@ 138
Orient.....	97	@ 98
Connecticut.....	103	@ 105
Steam Boiler (par \$40).....	54	@ 60

NEW ORLEANS.		
Crescent Mutual, p v 100.....	76½	@ 79½
Factors' and Traders', p v 100.....	98½	@ —
Germania p v 100.....	48	@ 55
Home, p v 40.....	19½	@ 21½
Hope, p v 100.....	48	@ 53½
Merchants' Mutual, p v 100.....	37	@ —
New Orleans Ins. Ass'n, p v 30.....	21¾	@ —
People's Ins. Co., p v 25.....	12	@ —
Sun Mutual, p v 100.....	99	@ 100
Union, p v.....	39½	@ 45

SAN FRANCISCO.		
Union.....	112	@ 113
Fireman's Fund.....	102	@ 105
California.....	110	@ 115
Home Mutual.....	90	@ 100
Commercial.....	90	@ 100
State Investment.....	95	@ 100

—On the 18th of June, a fire at Burlington, Iowa, came near getting the better of the department, as at one time the prospects were favorable for a million dollars' fire. As it was, we have to record only a \$200,-000 loss, with the following insurances:

American Central.....	\$1,500
Ætna.....	7,000
American, Philadelphia.....	5,000
British-American.....	2,500
Commercial Union.....	5,000
Continental.....	5,000
Commonwealth.....	5,000
Citizens, N. J.....	2,000
Franklin, Mo.....	3,000
Faneuil Hall.....	5,000
French Corporation.....	2,500

Fire Association.....	10,000
Girard.....	2,000
German, Hamburg.....	2,500 x 500
Home, New York.....	5,500—9,500
Hartford.....	2,500—5,000
Home, California.....	1,500
Imperial.....	5,000
Insurance Company of North America.....	5,000
Liverpool and L. & G.....	10,000
Lancashire.....	5,000
Merchants, New Jersey.....	5,000
Melwaukie, Wisconsin.....	2,000 x 5,000
New York National.....	2,000 x 5,000
North British and M.....	2,500 x 5,000
Niagara.....	5,000
Paterson.....	1,500
People's, New Jersey.....	2,500 x 2,500
Pennsylvania.....	4,000
Phoenix.....	5,000
Revere.....	4,700
Royal.....	1,000
St. Louis.....	2,400
Springfield.....	5,000
Western Association.....	2,500
Westchester.....	2,500

—The list of insurance on Hartupel & Co's machine shops, engines and boilers, which were destroyed at Pittsburg, on the 17th of July, as reported by Fire Marshal Stevenson, is as follows:

ON BUILDING AND MACHINERY.

Star, N. Y.....	\$3,000
Allomannia, Pa.....	5,000
Lancaster, Pa.....	5,000
Reading, Pa.....	2,500
Farmers, York, Pa.....	2,500
French Corporation.....	5,000
Cash, Pittsburg, Pa.....	5,000
Rochester German, N. Y.....	5,000
Buffalo German, N. Y.....	5,000
Merchants, Newark.....	5,000
Pennsylvania, Pittsburg.....	5,000
Brewers, Milwaukee.....	2,500
Citizens, Mo.....	3,000
Fairfield, Conn.....	3,000
Girard, Philadelphia.....	2,500
Commonwealth, Boston.....	3,000
Germania, Newark.....	2,500
Delaware Mutual, Pa.....	2,500
Northwestern National, Wis.....	3,000
Total.....	\$70,000

ON PATTERNS, TOOLS, ETC.

Phoenix, of Hartford.....	\$3,750
Scottish Commercial.....	4,250
Springfield F. and M., Mass.....	3,750
Providence, R. I.....	4,250
Manayunk, Philadelphia.....	4,000
Home, N. Y.....	4,000
Firemen's, Dayton.....	2,500
Total.....	\$26,500
Loss nearly total.	

—The losses by fire in St. Louis during the six months ending June 30, 1877, were as follows:

	Loss.	Insurance.	Loss to Ins. Co's.
January.....	\$51,040.53	\$186,050.00	\$49,192.53
February.....	9,530.31	96,550.00	7,043.31
March.....	468,750.00	890,350.00	462,208.00
April.....	456,703.58	513,600.00	452,403.58
May.....	12,247.11	73,800.00	9,717.11
June.....	16,252.85	120,125.00	6,960.88
Total.....	\$1,015,130.38	\$1,880,475.00	\$869,136.91

—The following list shows the number of establishments, in the several lines of business designated, which were destroyed by the St. John fire on the 20th of June:

Architects.....	4
Auctioneers.....	7
Bakers.....	11
Banks.....	5
Bankers (private).....	4
Barriers.....	50
Blacksmiths.....	10
Block and pump makers.....	8
Boarding houses.....	55
Boat builders.....	5
Bookbinders.....	5
Book stores.....	7
Boot and shoemakers.....	38
Boot and shoe stores.....	14
Brass founders.....	6
Builders.....	27
Cabinetmakers.....	9
Clothiers.....	9
Commission merchants.....	93
Confectioners.....	6
Dentists.....	9
Druggists.....	8
Dry goods (wholesale).....	14
Dry goods (retail).....	23
Dining and oyster saloons.....	10
Flour dealers.....	32
Fruit dealers.....	7
Grocers (wholesale).....	40
Grocers (retail).....	102
Gasfitters and plumbers.....	6
Hair dressers.....	13
Hardware stores.....	8
Hotels.....	14
Insurance agents.....	29
Iron merchants.....	8
Liquor dealers (wholesale).....	27
Liquor dealers (retail).....	116
Livery stables.....	8
Lumber merchants.....	12
Marble works.....	6
Merchant tailors.....	35
Newspapers.....	7
Painters.....	13
Photographers.....	6
Physicians and surgeons.....	15
Printers (Job work).....	10
Riggers.....	7
Sailmakers.....	5
Ship chandlers.....	14
Shipsmiths.....	8
Stove dealers.....	8
Tobaccoists.....	7
Undertakers.....	4
Watchmakers and jewelers.....	12

—Mrs. Rebecca L. Miller puts in a preferential claim against the Security Life for \$6,000, amount of a policy on the life of her husband, deceased. Judge Daniels, at the General Term, decided that the claim is not entitled to preference. The case has been taken to the New York Court of Appeals.

—The *Banker's Magazine* for July gives the following railroad statistics. The extent of railroads in the United States is 77,470 miles, and in Great Britain and her colonies, 30,315 miles. Germany has 17,872 miles; France, 13,414; Russia, 12,148; Austria, 10,792, and Italy, 4,777. The capital and debt of the railroads in the United States was in 1876 \$4,468,591,935; gross earnings, \$497,257,959; net earnings, \$186,452; dividends, \$68,039,668.

—The *Insurance Critic* says, "the rumor of an impending investigation into the affairs of the North-Western Fire Insurance Company is unfounded. The mistake probably arose from the similarity of the name of the company to that of the North-Western Life of the same city, which is to be investigated immediately by the Commissioners from Illinois and other States." The fact, that a company's affairs are being investigated argues nothing against its standing. Investigations are often made by request of the companies.

—The *Bulletin*, in an editorial, gives a list of the more than millionaire men of San Francisco, with an estimate of their capital and income. Flood & O'Brien's crowd are down for \$100,000,000 capital and \$20,000,000 income; and the Stanford party for \$50,000,000, with an annual revenue of \$6,000,000. There is one twenty-million firm, and five parties, including two individuals, viz: Michael Reese and D. O. Mills, of \$10,000,000 each. The eight-million men are two in number; the six and seven, one each. Those who have quadrupled and quintupled the pristine million are quite numerous. The *Bulletin's* list has fixed the pecuniary point at which a man becomes rich and notable. To have less than four millions is to be "to fortune and to fame unknown."

—The annual statement of the *Ætna Life Insurance Co.*, of Hartford, for the year 1876 is before us, from which we learn that the company hold assets, gross, amounting to \$23,357,048.95, with total liabilities of \$20,897,401.70, which includes \$150,000 paid-up capital. According to the showing, the company shows a net surplus, by the Massachusetts standard, of \$2,460,247.25, or \$3,878,508.43 by the New York standard. The *Ætna* commenced business in 1850, and has, by its economical management, and a proper regard for the insured's interests, won for itself an enviable reputation, and stands to-day a monument of strength, ranking among the *leading* financial institutions of the country, well deserving of the liberal patronage bestowed upon it. The total premium income in 1876 was \$3,588,758.24, and the total paid policy-holders during the same year, for death losses, matured endowments, surrendered policies, and dividends, was \$3,353,635.83.

The number of policies issued in 1876 by the *Ætna* was 3,678, covering \$5,575,975.00 insurance. The total number of policies in force December 31st, 1876, was 56,987, insuring \$87,385,555.00.

\$777

is not easily earned in these times, but it can be made in three months by any one of either sex, in any part of the country who is willing to work steadily at the employment we furnish. \$66 per week in your own town. You need not be away from home over night. You can give your whole time to the work, or only your spare moments. We have agents who are making over \$20 per day. All who engage at once can make money fast. At the present time money cannot be made so easily and rapidly at any other business. It costs nothing to try the business. Terms and \$5 outfit free. Address at once, H. HALLITT & Co., Portland, Maine.

TO LIFE AGENTS.

Southern California offers a fresh and inviting field in Life Insurance, and very favorable terms are offered by the undersigned to Agents with good records. Correspondence is invited from live agents who desire to work for the most popular company represented in the State. Address

A. SIDNEY SMITH,
Manager Southern Department Pacific
Mutual Life Insurance Company of
California.

Los Angeles, Cal.

ESTABLISHED

A. D. 1821.

GUARDIAN ASSURANCE COMPANY

OF LONDON.

Capital paid up.....\$5,000,000 Gold
Total Cash Assets, (including life accumulations).....\$14,291,620 Gold
Cash Assets especially available for Fire Losses.....\$6,738,100 Gold
Fire risks written on approved property in California, Oregon and Nevada.

BRITISH & FOREIGN MARINE INS. CO.

Limited, OF LIVERPOOL.

Capital subscribed.....\$5,000,000 Gold
Capital paid up.....\$1,000,000 Gold
Reserve Fund, exclusive of Capital.....\$756,740 Gold

BALFOUR, GUTHRIE & CO.
GENERAL AGENTS,
230 CALIFORNIA STREET, Near Battery, S. F.

Pacific Insurance Agency.

313 CALIFORNIA STREET,
Jonathan Hunt & Son, Managers.

LIST OF COMPANIES INCLUDED IN AGENCY.

INS. CO. OF NORTH AMERICA,	- -	Capital and Assets,	\$7,000,000
AMERICAN FIRE INSURANCE CO.	- "	"	1,200,000
PENNSYLVANIA FIRE INSURANCE CO.	- "	"	1,600,000
LONDON & LANCASHIRE FIRE INS. CO.	" "	"	5,000,000

TOTAL CAPITAL AND ASSETS, \$14,800,000

COAST REVIEW.

A MONTHLY JOURNAL, DEVOTED TO FIRE, MARINE AND LIFE
INSURANCE.

J. G. EDWARDS, Editor and Proprietor,

320 California St., San Francisco, Cal.

VOL. 12.

SEPT., 1877.

NO. 6.

Extensive Fire in San Francisco.

(From COAST REVIEW Extra, Aug. 9, 1877.)

Since the so-called Brannan Street fire in August, 1876, which destroyed property to the amount of about \$700,000, there has not been a more extensive conflagration in San Francisco than that which occurred last evening, about 8 o'clock, in the lower part of the city. The area of the district which was ravaged by this disaster is bounded by Drumm, Merchant, Washington and East streets. The particular point at which the fire originated cannot be precisely determined, but it is supposed that it began between the old market building which extended from Washington to Merchant streets along Drumm and the wood and coal yard of Kolber Bros., which was situated about the middle of the block. It was in the rear of the stable of McKenna & Greany, adjoining the coal yard that the fire was first discovered. A corner grocery and saloon formed part of the old market building, and next to it in the order here set down was a blacksmith and wheelwright shop, and the stable before mentioned. The upper part of the market building was used as a box factory and for the shop of a harnessmaker. Those parts of Merchant Street, East Street and Washington Street which were destroyed, were occupied by a coal yard, saloons, boarding houses, coopers' shops, a sail loft, soap factory and stables; and except the old market

building, all these buildings were small and constructed of wood. There were only four brick buildings in the whole of the burnt district. Three of those are badly damaged. Before the alarm was sounded, the fire had got considerable headway, and a light westerly breeze that was blowing at the time gave additional fury to the flames. The Department behaved with their usual promptitude, but before the engines could arrive on the ground, the fire had extended over the whole of the block. A large police force was detailed to keep back the crowds of people which came from all quarters of the city to the scene of the disaster.

The Committee of Safety, also, were quickly at hand, and rendered effective service in the preservation of order. At one time it was thought that the shipping was in considerable danger, as the fire was advancing to the wharves. Several tugs steamed up at this juncture, and by means of their hose threw continuous streams upon the approaching flames. The tug *Anasha* towed several vessels from the wharves into the bay. The ferry-boats and the bay and river steamers kept their steam up, and were prepared for the emergency, in case the wharves should take fire. The clouds of sparks which were flying all round added to the dangers of the situation. The ferry landing was in imminent danger, and the Washington Street Wharf was discovered to be on fire; but the incipient blaze was soon ex-

tinguished by the hose companies, who worked with untiring zeal. To add to their difficulties, the pressure at the hydrants was so weak, that only a short stream of water could be got from them. The heat was so intense that firemen who endeavoured to enter Merchant Street were several times driven back. A little after 9 P. M., the flames seem to have been concentrated on the South side. There was a stiff wind blowing at this time. At 10 P. M., the flames were being speedily subdued, and at midnight they had exhausted their force, after having destroyed four blocks in this thickly populated portion of the city.

It is fortunate that the fire did not occur at a later part of the evening, otherwise the calamity would have been aggravated by a great loss of life.

As a natural consequence of the recent riotous experiences in San Francisco, it is rumored from some quarters that this conflagration is the work of an incendiary; but there is no evidence to give reasonable color to this assumption.

It is one of those disasters which periodically overtake those quarters of great cities, where wooden buildings are huddled up together.

The total loss is \$250,000.

The total insurance amounts to \$114,950. There will be a considerable salvage on the brick buildings, but the frame portion of the burnt district, with its contents, will prove undoubtedly a total loss.

The loss to the companies will probably exceed the figures given below, as there are many small damages on the South side of Clay Street and the East side of Drumm, which are not included in our list.

The following are the insurances in the burnt district:

California, S. F.	\$2,000
Commercial, S. F.	1,500
Lamar, N. Y.	1,000
French Corporation, Paris	2,000
Lycoming, Pa.	1,125
Home Mutual, S. F.	7,050
Union, S. F.	3,000
London Assurance Corp., London	4,000
Hamburg-Bremen	6,000
Fireman's Fund	2,000
Hoffmann, N. Y.	1,000

Fairfield, Conn.	1,000
Commercial Union, London	500
Berlin-Cologne, Berlin	1,200
Svea, Gothenburg	1,000
Underwriters Agency, N. Y.	4,100
Manhattan, N. Y.	300
British America, Toronto	2,000
Northern, N. Y.	2,000
Jefferson, St. Louis	1,500
Citizens', New Jersey	1,800
Traders', Chicago	750
State Investment, S. F.	12,000
Ætna, Hartford	5,000
New Zealand, Auckland	7,000
California Farmers', S. F.	6,275
Royal Canadian, Montreal	4,000
New Orleans, N. O.	3,100
Union F. & M., Texas	4,850
St. Paul, Minn.	2,500
Home, Columbus	2,500
People's, N. J.	3,200
Atlas, Hartford	1,000
Trade, N. J.	1,000
Revere, Boston	1,900
Citizens', St. Louis	1,000
Transatlantic, Hamburg	13,600

Of the above amounts, about \$30,000 was on the brick portion, of which the Transatlantic had \$8,000 and the Ætna \$5,000.

The Disorganization of Fire Business in America.

The above is the heading of an article which we copy entirely from the *Finance Chronicle and Insurance Circular* of London. The graphic picture of the situation has been transferred from the correspondence of the New York *Chronicle* to the columns of its London namesake. Our English cousin seems much tickled by the fun of the "lively and sprightly Yankee." All Americans not from the Southern States are generally called Yankees by the foreign papers:

"With the dissolution of the National Board of Fire Underwriters in the States has come something like anarchy and disorganization between the competing companies. Each company and agent is a law unto himself in the matter of rating; and the Empire City is described by a correspondent of the New York *Chronicle* as "the Glory Hole of Insurance Competition." Ruin and desolation among the fire offices is sure to follow. But we will allow our lively and sprightly Yankee to describe the situation in his own delightful fashion:

An imaginative writer has described the City of Pittsburg, Pennsylvania, as "Hell with the cover off." The same metaphor aptly describes the condition of the fire insurance business in New York City, with the single qualification, that the cover has been thrown away. Yes, things are hot in this little town. The brokers are the cocks of the walk. Here are the latest quotations:

Conservative and high-toned (offices).....	15 per cent.
Conservative and on the make	20 "
Wide awake and greedy.....	25 "
Full developed cheek <i>alias</i> manager.....	30 "

These are the ruling prices, and the market is shaky.

How shall we more particularly describe the condition of the fire insurance business? We will attempt to sift it.

I.—THE COMPETITORS.

A. Sixteen foreign companies, hungry for business, with a special predilection for first-class business.

B. The local companies, vexed and irritated by the falling off in their premium income, and the consequent heavier ratio of expense "that will not down," and goaded almost to desperation by depreciated assets and the reduction of interest income. These companies are frantic for business, and many are loading themselves heavily in crowded sections, and with a class of business heretofore avoided. Many managers seem determined to take the broad guage to ruin in preference to a slow death from dry rot.

C. The agents of companies of other States—premiums reduced, sacrifice of commission to brokers, to compete with local companies; dissatisfied principals to humor, and bankruptcy dead ahead.

II.—WHAT IS BEING COMPETED FOR.

- A. Dwellings, 30 cents for five years.
- B. Churches, 50 cents for three years.
- C. Lumber yards, 90 cents.
- D. Hides and leather, 25 cents per annum.
- E. Flour and grain, 30 cents per annum.
- F. Dry goods at rates insufficient to pay ordinary losses, to say nothing of reserve for

a larger conflagration that high buildings and narrow streets invite.

G. Special hazards, at —. Astrol-ogers, clairvoyants, seventh sons of seventh sons, assist us. We give it up, we cannot tell the rates at which the special hazards are finally taken. Now, then, if there is a company in Alaska or Peru that would share this bonanza, come on. The Cromwellian superintendent of insurance will accept the examination fee with a smile; the gentlemanly agent will give you a cordial welcome, and you will have an agent in New York—come on; Claflin now effects a portion of his insurance in Europe—come on; A. T. Stewart & Co. want more insurance on their stock at 30 cents—come on. The choice business carried by the Morris, Home of New Haven, Croton Indemnity, and Andes successfully, awaits you. This is the condition of fire insurance in New York City at a time when commercial and manufacturing interests stagnate—rates ruinous, underwriters crazy, brokers triumphant. What of the future? No human wisdom can avert the disaster now impending a score of companies.

Expense account, 50, 60, 70 per cent. of premium income means bankruptcy. In vain to fly to the agency field for succor. The large cities of the country are all full of local companies in their death throes. It is a struggle against fate. The depletion must go on until 90 per cent. of the insurance capital of the country can be united on a tariff. The stronger companies, if they would weather the storm, must reduce expenses to the minimum, and stand firm for correct practice, and for rates that will at least pay current losses.

The tariff of the future will afford but a slight margin for profit. "Decayed merchants" will not be invited to official chairs; for men trained in the business must take the helm. The underwriting of the future will be done by fewer companies. This is not vague prophecy—it is the inexorable logic of arithmetic—the certain outcome of the present craze. We offer cold sympathy; but we think we tell the truth."

As an appendage to the foregoing description, we subjoin a list of the killed and

wounded since January 1st. It is taken from the *Monitor*:

Metropolitan, New York, receiver.
Farmers Joint Stock, New York, receiver.
Citizens, West Virginia, receiver.
Builders, West Virginia, receiver.
Southern Underwriters, North Carolina, receiver.

Frankland, Tennessee, receiver.
Commercial, Missouri, assignee.
Patterson, New Jersey, receiver.
Lumbermen's and Mechanics', Missouri, reinsured.

Builders', Massachusetts, receiver.
Suffolk Mutual, Massachusetts, receiver.
Mutual Protection, Pennsylvania, receiver.

Farmers' Mutual, Connecticut, receiver.
Oswego Co. Mutual, New York, receiver.
Columbia Mutual, Pennsylvania, receiver.
Conway Mutual, Massachusetts, receiver.
Coos Mutual, New Hampshire, receiver.
Sunbury Mutual, Pennsylvania, receiver.
Lehigh Valley Mutual, Pennsylvania, receiver.

Oswego and Onondaga, New York, reinsured.

Brewers', Wisconsin, reinsured.
Farmers', Merchants' and Manufacturers', Ohio, reinsured.

Albemarle, Virginia, reinsured.
Bangor, Maine, reinsured.
Globe, Massachusetts, reinsured.
Residence, Ohio, reinsured.
United States, Missouri, reinsured.
Citizens', New Jersey, New York license revoked.

Defiance, Ohio, winds up.
Stadacona, Canada, winds up.
Provincial, Canada, winds up.
People's Mutual, Ohio, assessment.
Delaware Mutual, Ohio, assessment.
Forrest City Mutual, Ohio, assessment.
Niagara Mutual, Canada, assessment.
Brunswick, West Virginia, failure.
State, Indiana, failure.
Capital City, Alabama, failure.
Central City, Alabama, failure.
Hernando, Tennessee, failure.
Hibernia, Louisiana, failure.
Iron City, West Virginia, failure.

Peabody, West Virginia, failure.
People's, West Virginia, failure.
Bluff City, Tennessee, failure.
Hope, Louisiana, failure.
Delaware State, Delaware, failure.
Federal, District Columbia, failure.

President Winston's Opinion on the Chinese Question.

On the authority of the *United States Review*, we report the following as the views expressed on this subject by Mr. Winston, President of the Mutual Life Insurance Company of New York. This gentleman a few months ago visited San Francisco, and traveled through the Southern portion of the State. His opinion on this vexed question we neither sustain nor deny at present, but coming from the chief executive officer of one of the largest financial institutions in the United States, it is entitled to great consideration:

"An extended personal observation of the results of Chinese labor, as well as frequent conversations with many of the most intelligent men in different portions of the State of California, have made it a matter of surprise to me, and I doubt not to many others, that public opinion, so far as it is represented by the press of the State, with only a single exception, has done much to decry Chinese labor and foster idleness and vice on the part of the young people of California. I have never seen the subject impartially discussed by any newspaper in California, and have never seen any article favorable to the Chinese, except in a single paper at Santa Barbara, which had the courage to publish an article from Colonel Hollister, an eminent citizen of the State, in which the labor question was fully and fairly discussed. And yet I have never conversed with an intelligent, independent, fair minded man, who had a knowledge of the facts and could arrive at correct conclusions from them, who did not admit that the introduction of Chinese labor into the State was a boon and a blessing, and that without it, not only public improvements would never have been made as they now exist, but that the agricultural

and mining interests of the State could not be carried on at the present time without the help of the Chinese. Persons whose interests led them to profess indifference, or who were committed to political parties, and did not wish to alienate votes, occasionally expressed other views to me, and ignored the true state of affairs.

"It cannot be denied, however, that there are valid objections to the introduction of the Chinese in any considerable numbers. They do not fraternize with our people, and probably will not. It is true, also, that they send their savings to another country and go there themselves when they have accumulated sufficient funds to permit them to live in comparative ease at home. They have some peculiar views as a people which render them obnoxious and lay them open to severe criticism, and they live in an atmosphere that would almost stifle us; yet the facts still exist that the labor of that State is to a very great extent in their hands; that they perform it faithfully and well, and that they are in the main honest, industrious and faithful to their contracts. They require less supervision and oversight in the performance of their tasks than any other class of laborers that comes to our shores.

"In discussing these facts with citizens there, many of them did not seem to have an adequate idea of the peculiar condition of California, so far as the relations of its products to the markets of the world are concerned. While some intelligent minds view the matter in the proper light, the masses of the people do not seem to realize that while they possess great advantages in climate, richness of soil and variety of products, yet they are nearly or quite 3,000 miles further from the markets of the world than the Eastern coast. In these markets they must compete, and unless they can, by some method, make so great a reduction in the price of commodities as to counterbalance the heavy freight charges, they are at a fearful disadvantage when compared with the producers of the East. The only method by which they can hope to overcome the disadvantage, after making a proper allowance for the richness of the soil, is in a sav-

ing in the cost of labor. If they rely upon their own people only, they will have to meet two obstacles: First, They have not enough native labor for their purposes, nor anything like enough. Second, The native labor is more expensive than the same kind of labor in other parts of the country. They therefore seem to be shut up to Chinese labor, if they are to proceed with the various enterprises and industries in that State."

Mr. Winston, in referring to the recent riots in San Francisco, said:

"What I have stated in regard to the origin of the hoodlum class and its relations to the Chinese population on the labor question, will furnish an insight into the collisions between the hoodlums and Chinese which occur so often in San Francisco. The quarters of the Chinese are in one of the most desirable parts of the city, on elevated ground, with a good descent for drainage, and close to the residences of a very respectable class of people.

"The Chinese are peaceable and quiet in their demeanor, and no population could be introduced in the country that would give the authorities less trouble. All efforts to drive them out of the country or prevent their coming will prove futile. The Constitution guarantees their protection, and until that instrument is amended in this respect—an altogether unlikely contingency—they have a right to come to our shores, and must be protected as fully as other foreigners are. At present they are awed into subjection by the persecutions of the hoodlums; and it is creditable to them that they suffer injury and even death rather than provoke a bloody struggle by armed resistance. They know that resistance would deprive them of what little sympathy exists among the better class of Californians."

In reference to the last sentence in this extract, we have to remark, that by the better class of Californians the Chinese would be sustained in defending their persons and property against violence by every means at their command.

—The United States Insurance Company of St. Louis has reinsured its risks in the Scottish Commercial.

The Romance of Life Assurance— Its Trials, Tribulations, and Tragedies.

[Continued from last Number.]

"Is that the law?"

"Thyself shall see the act."
—*Merchant of Venice.*

One of the most important legal principles laid down on the subject of insurance in general was enunciated amid the curious circumstances of the d'Eon mystery, which were alluded to in our last number. Among the brokers who had issued or negotiated for policies on the sex of that notorious adventurer, was a certain Mr. Jaques; and, like the generality of the insurers, he had taken large premiums against the contingency of d'Eon's femininity. As d'Eon was proved to be a man, Mr. Jaques had no reason to make his contracts a cause of legal or other complaint; but some of the policyholders were not satisfied, and sought to recover the premiums paid, which generally were as high as 35 per cent. The suit was tried before Lord Mansfield, who voided the contract, and declared that all policies of assurance, whether on life or other events, entered into without insurable interest, were contrary to public policy, and therefore illegal. It is in accordance with this decision, which gave the death-blow to the system of wager policies, that the essential principles of all insurance are determined at the present day.

THE PRIME MINISTER AND HIS CARRIAGE- MAKER.

The case of William Pitt, the celebrated Prime Minister of England, furnishes a ruling almost as important as that of Lord Mansfield, and is relied upon as one of the great precedents for establishing the status of a creditor, who may have insured his debtor's life, in relation to the grantor of the policy. In 1803 Mr. Pitt was indebted to the firm of Godsoll & Co., his carriage-makers, and as he was then in embarrassed circumstances, they insured his life for half the amount of his debt. In 1806, Pitt died insolvent, but, as a recognition of his eminent services, it was enacted by Parliament

that his debts should be paid from the national treasury. The claim of Godsoll & Co. was, of course, liquidated with the rest; but not satisfied with this, they made a demand on the Pelican, the company which had insured Mr. Pitt's life, for the amount of their policy. As their insurable interest had ceased on the payment of Mr. Pitt's debts by the nation, the company refused to pay the insurance, but very liberally offered to refund all the premiums that had been received. A vast amount of legal ingenuity was used in the pleading of this case. The counsel for Godsoll & Co. evidently refused to recognize the decision of Lord Mansfield, by which the wager element had been eliminated in the construction of policies, and contended that the insurers having received the premiums without specific stipulation for mere indemnity, they were bound to pay the insurance without regard to the condition of gain that had accrued to the other party in interest. Lord Ellenborough, before whom the case was tried, decided in favor of the company, which was not even required to refund the premiums.

THE CAREER OF THE DUKE OF SAXE- GOTHA

Has furnished another of the *causes célèbres* which are to be found in the legal history of life assurance. In 1825 this German nobleman, by a dissolute course of life, had fallen into a state of physical debility, and had considerably impaired the faculties of his mind, which at the best of times were never in a condition of average vigor. Besides, he had lost the use of his speech. How he induced an insurance company to take the risk of his life is a matter for amazement; but it seems that he was successful in obtaining a policy. After the payment of only one year's premium, he died from a tumor on the brain which was discovered to have been in existence for many years. The directors of the company refused to pay the policy, alleging that the mental condition of the duke, and his loss of speech had not been made known to them. It was not pretended that the written questions in the application for insurance were untruthfully answered. Under the direction of Mr.

Justice Littledale, before whom the case was tried, a verdict was given for the company on the ground that the assured was bound to disclose all material facts within his knowledge. The essential portion of the Judge's charge is condensed as follows: "In cases of life assurance, certain specific questions are proposed as to points affecting all mankind. But there may also be circumstances affecting particular individuals which are not likely to be known to the insurers, and which, had they been known, would have been made the subject of specific inquiries."

The decision, however, in this case, is disapproved by eminent authority. The agents of the company were chargeable with gross negligence in prosecuting their inquiries, or they fraudulently connived at the concealment of facts which it was essential to disclose. Of course, no personal communication could have taken place between the duke and the directors, otherwise they would have discovered the mental condition of the applicant; at all events, his loss of speech could not have been concealed from them.

THE INSURABLE INTEREST OF A FATHER IN HIS SON'S LIFE

Was also the subject of an authoritative ruling, about the period of the Saxe-Gotha trial. The case was that of a gentleman who had insured his son's life for a very large amount in an office called the Asylum. After the payment of two years' premium the son died, and the company refused to pay, on the ground that there was no insurable interest. It was contended for the plaintiff that he had expended large sums of money for the maintenance and education of his son, and that the expectation of being reimbursed therefore by the son's success in life was of such a nature as might be protected by an insurance; but the chief reliance of the plaintiff's counsel seems to have been on the statute of Queen Elizabeth, by which a son, if capable of doing so, is legally bound to support his father, who might have become poor in his old age, and it was argued that the death of the person whose insurance was in litigation had decreased the chances of the plaintiff for a

support in his old age. A verdict was given for the company under the direction of Mr. Justice Bayley, who said, "If a father wishing to give his son some property to dispose of made an insurance on his son's life, not for the father's own benefit, but for the benefit of his son, there was no law to prevent his doing so; but that was a transaction quite different from the present; and if the notion prevailed that such an insurance as the one in question was valid, the sooner it was corrected the better." This decision is said to have affected insurances to about half a million of pounds sterling, which were in the same category as the claim of the plaintiff in the action. The soundness of the principle involved by the judicial ruling does not seem to have been disputed; but the course of the company in resisting the claim is condemned by our historian. The company understood the business relations that existed between the father and the son at the time of the application for insurance, and the receipt of the premiums under these circumstances should have bound the directors to an equitable settlement.

(To be continued.)

—Several days ago Secretary of State Kelsey made application to Vice-Chancellor Van Fleet, in Newark, for the appointment of a receiver for the Citizens' Insurance Company, and an injunction restraining the company from doing business. Mr. Joseph Coult asked the Vice-Chancellor, yesterday, to dismiss the complaint against the company, and to dissolve the injunction. The Vice-Chancellor said that he could not dismiss the proceedings, except upon the application of the complainant. Mr. Kelsey then informed the Court that the company had reinsured all its outstanding risks in the People's Insurance Company of Newark, and had secured the payment of all unpaid losses by the deposit in trust of a sufficient amount of security. The Vice-Chancellor, therefore, granted the motion to dismiss the proceedings. The liabilities of the Citizens' Company were \$362,444.79; assets \$301,978.92, leaving a deficit of \$61,367.87.—*N. Y. Sun.*

Reports of the Interior Savings Banks.

As a supplement to the reports of the San Francisco savings banks, which were tabulated in our August number, we publish herewith a table compiled from the returns of the interior savings banks of this State, for the term ending the 30th of June last. Excluding the Dime Savings Bank of Sacramento, which has not reported, the deposit column shows a total of \$14,191,952. Five other banks named in the present table have failed to furnish the number of their depositors. Allowing about 6,000 for this omission, the number of depositors may be set down as 25,000, which would give an average of about \$570 for each depositor. This average for San Francisco alone, as may be computed by our former table,—which, however, excludes one bank whose returns were not ready—is about \$820. The average for the whole State, on the basis of the tabular figures with the modifications before particularized, is about \$750, there being about 100,000 depositors to about \$75,000,000 of deposits.

The increase in the line of deposits for both city and interior will be seen by the following exhibit, which includes the bank that was not ready for our table in the August number. On city items this exhibit varies slightly from our August table, for the reason stated. It will be seen that the aggregate deposits have increased since June 30 of last year about \$6,000,000.

SAVINGS BANKS DEPOSITS.

Term ending	City.	Interior.	State.
January, 1867.....	\$10,358,900		\$10,358,900
July, 1867.....	13,833,300		13,833,300
January, 1868.....	17,105,000	\$200,000	17,305,000
July, 1868.....	19,687,300	753,000	20,440,300
January, 1869.....	22,342,500	1,476,000	23,818,500
July, 1869.....	24,773,100	1,989,100	26,762,200
January, 1870.....	26,042,500	2,559,100	28,601,600
July, 1870.....	29,842,100	4,039,200	33,881,300
January, 1871.....	31,289,000	5,260,400	36,549,400
July, 1871.....	35,541,600	6,357,200	40,878,800
January, 1872.....	37,033,400	7,201,700	44,235,100
July, 1872.....	40,369,400	7,415,000	47,784,400
January, 1873.....	42,474,000	8,950,400	51,424,400
July, 1873.....	43,731,400	9,614,900	53,346,300
January, 1874.....	46,370,000	10,832,800	57,202,800
July, 1874.....	50,890,300	11,877,600	62,767,900
January, 1875.....	53,891,000	14,022,400	67,913,400
July, 1875.....	59,026,100	13,858,400	72,884,500
January, 1876.....	56,207,000	17,765,000	73,972,000
July, 1876.....	57,077,200	12,789,000	70,466,200
January, 1877.....	59,021,200	13,021,500	72,542,700
July, 1877.....	62,230,900	14,192,000	76,422,900

The dividends of the interior banks for the term ending June 30th, last, may be estimated at an average of between 9 and 10 per cent. The precise rate cannot be stated, as many of the banks have omitted information on this point. The Marysville Bank paid 10 per cent., which is the highest rate we have heard of.

The business and financial situation of all the savings banks in the State will be seen by the subjoined statement, which also includes the San Francisco bank that failed to report in time for our first table:

	City.	Interior.	State.
Deposits.....	\$62,230,900	\$14,192,000	\$76,422,900
Loans.....	63,497,400	16,482,200	79,979,600
Earnings.....	2,838,600	907,600	3,746,200
Expenses.....	289,000	181,600	470,600
Cash Capital....	1,657,300	2,749,700	4,407,000
Reserve.....	2,114,800	806,300	2,921,100
Cash on hand.....	3,035,500	1,433,500	4,469,000
Dividends.....	2,482,100	667,700	3,149,800
Depositors.....	79,300	20,000	99,300
Banks.....	15	17	32

The total amount of dividends paid by all the California savings banks, from January, 1868, to July, 1877, is \$44,600,000, and the net increase of their deposits from July, 1, 1867, to the end of the last term, was \$62,600,000. The increments have been without intermission, except in 1875-6, when there was a decrease of \$2,400,000. This is attributable to the memorable bank panic in San Francisco, which occurred in August, 1875.

It is hardly necessary to say that the exhibit here presented denotes in all its features a measure of great prosperity among the people in general. In all probability there is no parallel to this condition of our affairs in the monetary history of any other State or country. An eminent essayist, in giving an idea of the wealth of Great Britain, said that it was sufficient to maintain all the population of that kingdom in idleness for one year. Such a relaxation to an almost equal extent might be furnished to the people of California, by distributing among them merely the deposits of their savings banks: \$75,000,000 would more than purchase one year's supply of food for a million of people.

— During last year Italy had 1487 suicides, England 409, Prussia 556, Sweden 126, Belgium 92.

Items from Semi-Annual Reports of the Interior Savings Banks of California, for Term ending June 30, 1877.

Name of Savings Bank Incorporation.	Date of Organization.	Number Depositors.	Amount of Deposits.	Loans Outstanding.	Gross Earnings.	Expenses & Fed'l tax.	Capital and Reserve.	Cash on hand.	Amount of Dividend.
Capital Savings Bank, Sacramento.....	February 8, 1868.....	5,246	\$3,470,402	\$3,403,051	\$183,807	\$20,812	\$571,637	\$180,107	\$138,994
Dixon Savings Bank, Sacramento.....	July 1, 1873.....	1,700	887,444	902,747	47,785	5,840	133,083	58,430	36,382
Old Fellows Bank of Savings, Sacramento.....	May 11, 1870.....	2,551	2,238,313	2,110,797	133,306	20,483	107,400	259,833	106,823
Sacramento Savings Bank, Sacramento.....	March 12, 187.....	1,750	1,305,655	1,370,913	80,520	13,487	444,307	195,657	66,533
Oakland Bank of Savings, Oakland.....	September 1, 1867.....	2,128	1,271,811	1,063,686	86,243	9,874	519,153	53,642	72,300
Union Savings Bank, Oakland.....	July 1, 1869.....	1,097	739,062	1,023,610	71,283	11,750	373,875	88,694	47,829
Commerce and Savings Bank, San Jose.....	May 13, 1874.....	1,935	954,092	1,018,522	84,003	56,951	346,670	91,727	21,000
San Jose Savings Bank, San Jose.....	January 15, 1868.....	1,635	954,092	1,018,522	84,003	56,951	346,670	91,727	21,000
Stockton Savings and Loan Society, Stockton.....	August 12, 1867.....	1,558	1,470,735	1,093,399	69,401	17,503	488,000	141,132	48,761
Napa Valley Savings Bank, Marysville.....	April 8, 1869.....	.....	389,200	382,634	18,000	4,018	19,873	33,996	56,361
Napa Valley Savings and Loan Soc., Napa.....	September 13, 1871.....	.....	147,147	204,758	13,615	8,255	116,228	14,532	16,408
Petaluma Savings Bank, Petaluma.....	September 1, 1870.....	.....	168,562	204,758	13,615	8,255	109,657	37,000	6,000
Santa Rosa Savings Bank, Santa Rosa.....	August 1, 1874.....	.....	132,701	70,948	14,269	4,180	54,935	11,488	.....
Farmers' Savings Bank, Lakeport.....	.....	542	192,701	211,751	13,785	3,613	174,757	31,677	1,345
Farmers' Savings Bank, Modesto.....	July 1, 1873.....	.....	113,000	90,000	.....	.....	32,000	40,000	.....
Merced Security Savings Bank, Merced.....	.....	.....	334,307	315,496	.....	.....	30,000	44,871	.....
Bank of Savings and Loan, Santa Cruz.....	.....	19,968	\$14,191,952	\$15,503,651	\$907,569	\$180,642	\$3,554,961	\$1,433,519	\$667,739
Totals.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

Receiverships.

For more than two years the *Monitor* has steadfastly opposed the growing tendency to remorselessly throw into the hands of receivers, companies that were technically insolvent, or for any reason might be unable to continue business. We have insisted on the necessity of a law that should regulate the transfer of contracts and funds from one company to another, while we have regarded a receivership as the last refuge of a bankrupt concern. But aided by a class of insurance journals, the public press throughout the country has taken up the opposite cry. Successive defalcations have added fuel to the flames; a public demand for investigations, exposure and wholesale condemnation has been created. The results of this ill-starred movement are now evident. Not an insurance corporation to-day is safe against the assaults of professional wreckers. Starting from small corporations, like the Hope and Craftsmen's, the movement has spread until, profiting by the depressed condition of business, some of the largest life companies in the land have been threatened with proceedings in bankruptcy. Policyholders are fortunately beginning to discover their error, and it will take a few more experiences like those of the Charter Oak to make this class of professional wrecking more dreaded than amalgamations or reinsurance.

A receiver has ordinarily no place in life insurance. His functions are those of a court officer, to secure the funds of a bankrupt debtor against dissipation, in the interest of creditors. If a life company were like an ordinary mercantile concern, whose funds and obligations were all of a present and definite character, it might properly be thrown into bankruptcy under the ordinary methods. But such is not its character. The tangible assets of a life company represent but a small fraction of its assumed funds. To realize the remainder, it must be maintained as a going concern. No distribution can be made of those assets which will adequately represent the relative claims of the creditors, or which will not be at-

tended with practical injustice. The claims, like the funds, are matters of the future. The appointment of a receiver to a life company is simply a wholesale cancellation of partly executed contracts, involving the return of the part consideration paid, without regard to the consequential damages resulting from the breach.

Even in ordinary mercantile failures, the law recognizing the practical disadvantages of a receivership will permit the creditors, for a certain amount, to protect their debtor; and they, taking advantage of the law, will agree upon any reasonable compromise rather than force him into bankruptcy. Every business man knows that an honest though unfortunate debtor can settle his own affairs far more profitably than any bankruptcy court. The whole history of receiverships is that of a dissipation of funds, in which the creditors have realized but slight returns. What is true of ordinary mercantile affairs applies with infinitely more force to life insurance. An impairment that could more than be made good by a voluntary reduction of ten per cent. from the sum insured, is sufficient in bankruptcy proceedings to prevent every policy-holder from realizing any appreciable return for his contract. In the interest of policy-holders as well as companies, a practice so inimical to all parties, so destructive in its general effects upon the business, cannot be too severely censured where a reasonable hope of recuperation exists.—*Monitor*.

—The Merchants' Exchange Bank, of this city, will wind up its affairs and retire from business. This bank was incorporated in 1870, and has paid fifty-six monthly dividends of 1 per cent., and twelve of $\frac{1}{4}$. Latterly, its line of deposits has been small in proportion to its paid-up capital, which is \$5,000,000. The capital, originally, was only \$1,000,000. The present liabilities, exclusive of capital, are about \$800,000, which will be paid on demand. The total assets are stated at \$5,691,336.28. The stock, for some time past, has been quoted at 67 to 70. Excessive competition, taxation, and reduction in rates of interest, are the causes of this bank's withdrawal.

Rather Serious Business.

Although the average property-owner may not give the matter a thought, it is none the less true that considerable apprehension exists in insurance circles touching the probabilities of our having in New York one of those big fires which make epochs in a city's history. That underwriters are exercised in mind is seen in the circumstance that at a recent meeting of the New York Board of Fire Underwriters, a resolution was adopted to the effect that it is unsafe for any insurance company to put at risk more than the amount of its capital and net surplus in the dry goods district, so-called—that is, the area bounded by Chambers and Canal Streets, and Broadway and West Broadway—and proportionate amounts in adjacent districts. A request was also made that the Superintendent of Rates and Surveys should call upon all the companies for the amounts held by them, respectively, at risk in certain districts to be specified by a committee so constituted as to represent all classes of companies doing business in the city. This action has been already too long deferred, but now that the thing is proposed, we would urge that the work be pushed forward without further delay. It is the interest of the policy-holders to know which are the companies whose recklessness may be in danger of reacting to their own destruction and the ruin of those who have trusted them too blindly. That there are offices whose very existence depends upon there being no large fire in the dry goods district, is no secret in insurance circles. When a single company of only \$500,000 net assets is found carrying nearly \$40,000,000 of risks in this city of ours, more than half of which amount is presumably at risk in the district named, and when certain of the foreign companies are believed to be hopelessly involving themselves with enormous lines in the same locality, it is indeed high time that steps were taken to enable the insured and insurer alike to hedge against an impending disaster. For, where would the companies or their policy-holders be in the event of a

conflagration like that of Chicago, Boston or St. John?

The indications are that this is to be a hard year for insurance companies—even for such as are most conservatively managed. It will be a still harder one for the reckless ones. And if for the companies the lines do not fall in pleasant places, the average policy-holder has no right to presume that for him everything will be lovely, however high the geese may seem to hang. Already, according to the *Chronicle's* valuable statistics, the fire record of the United States and Canada for this year (leaving out St. John) shows twelve hundred more fires than in the first six months of 1876, with nearly \$2,000,000 increase in the aggregate loss, or, including the St. John fire, nearer \$20,000,000 increase. The actual figures are as follows for the first six months of 1876, respectively:

	1876.	1877.
Aggregate losses.....	\$30,721,100	\$38,273,900
Insurance loss.....	20,357,100	21,993,100
Number of fires.....	4,013	5,228

And this does not include the St. John fire, whose statistics cannot yet be accurately given, but have been estimated as high as \$21,000,000, with an insurance loss of \$6,000,000 to \$7,000,000. Figuring upon this basis, we have burned up in the United States and Canada, since January, \$59,000,000 worth of property, as against \$36,700,000 during the corresponding period of last year. And the insurance capital permanently invested in all this ash-heap amounts to little less than \$30,000,000! Obviously, the outlook is not a cheerful one as respects the returns to be made up at the end of a year thus disastrously begun. The practical question compels attention: What is to be the upshot of all this? If a big fire in New York impends—and there are serious fears of such a calamity—we shall see a panic of an agonizing sort, which will make the life insurance and savings banks scares seem insipid and tame.—*N. Y. Mail.*

—Mr. H. R. Turner, Secretary of the Fairfield Fire Insurance Company, of Norwalk, Conn., was among the visitors to our office during the last month. This is the first visit of this gentleman to San Francisco.

The Fire Marshal's Report for the Year Ending June 30th, 1877.

By the courtesy of John L. Durkee, Fire Marshal of San Francisco, we have obtained, in advance of the printer, a copy of his thirteenth annual report submitted to the Board of Fire Underwriters. The information contained therein is very comprehensive, and ranges over thirty-seven exhibits compiled with extreme minuteness, and several pages of suggestive matter. We have condensed such subjects of the report as are of paramount importance.

CAUSES OF FIRES AND ALARMS.

These number 359, and are classified as follows: Alcohol lamps, 2; ashes, 27; bonfires, 3; carelessness with candles, cigars, matches, fire, etc., 46; children with candles and matches, 21; chimnies, 15; defective chimnies, etc., 60; drunkenness, 1; explosions of coal oil and gas lamps and stoves, 23; fireworks, 20; false alarms, 21; gas lights and stoves, 12; incendiary, 16; attempts, 10; rats with matches, 2; sparks from chimnies, engines, etc., 27; spontaneous combustion, 11; upsetting lamps, 9; unknown, 18; other causes, 15.

LOSSES, INSURANCE, AND AMOUNT PAID.

The total loss of the year is alleged to be \$1,055,776.35, of which \$707,646.35 was not covered by insurance. The difference, \$348,130, represents the amount paid by the underwriters. The total insurance in relation to the insured property destroyed was, \$2,319,288.32. The heaviest monthly loss was in August, 1876, when the Brannan Street fire destroyed 142 buildings. The loss on this month was, \$727,702.68. Insurance, \$477,500. Amount paid, \$166,548.65. The loss on buildings is separated from that on furniture, stock, etc., as follows:

	Loss.	Insurance.	Paid.
Buildings.....	\$396,472.77	\$1,010,014.57	\$162,236.77
Stock, Furniture, etc.....	659,303.58	1,309,273.94	185,898.39

The number of actual fires is 304, of which, 42, the greatest monthly number, occurred in the month of July.

STYLE OF BUILDINGS BURNED, LARGEST LOSSES, ETC.

Of 478 buildings totally or partially des-

troyed, 424 were frame, and the remainder of brick, in the following proportions :

	1-Story.	2-Story.	3-Story.	4-Story.
Frame.....	125	246	43	9
Brick.....	5	20	25	4

Of the aggregate number, 164 were totally destroyed; 61 were damaged considerably; and 253 slightly. Fires confined to out-buildings were 194; and in 60 cases no damage was done to buildings. The purposes for which the buildings were used are set forth in a lengthy exhibit, and the following items appear therein: Dwellings, 183; barns, 12; boarding-houses, 11; lodging-houses, 14; stables, 28; Chinese stores, 10; tenement-houses, 11; Chinese wash-houses, 8. Next to the Brannan Street loss, which included 142 buildings, as before mentioned, the greatest number of buildings burned at one fire was 13. This is the fire of July 15th, on Jackson St., between Davis and Drumm. The largest losses exclusive of the Brannan St. fire are as follows: July 19th, No. 117 Pine St., \$49,622.97; January 13th, Berry and Fifth (lumber yard) \$20,000; November 25th, Nos. 119 and 121 Front St., \$14,092.94.

INCENDIARY FIRES.

Of the 16 fires (exclusive of attempts), traceable to incendiarism, 15 occurred on property that was insured. The loss on places insured was \$7,072.80, and on places uninsured \$1,085. The loss covered by insurance was \$5,910.30. The incendiary fires in the last five years have been as follows: 1872-73, 21; 1873-74, 16; 1874-75, 19; 1875-76, 13; 1876-77, 16. The attempts in the same order are 11; 12; 10; 7 and 10.

ARRESTS AND TRIALS FOR ARSON.

The names of persons arrested and the places alleged to have been set fire to, are as follows :

Henry Garland, stable of Geo. Dougherty, corner of Bay and Jones Streets. Sentenced to 7 years in State Prison.

Mary Miller, dwelling house 38 First St. Discharged upon preliminary examination.

Edward O'Hara and Frank Perry (aged 12), hay barn of Dutton & Moore, 7 Stewart St. Discharged upon preliminary examination.

Rudolph Tierner, house 811 Battery St., occupied by A. Jackson. Bill ignored by Grand Jury.

James Mahoney, house 15 Natoma St. Discharged on preliminary examination.

DEATHS CAUSED BY FIRE.

Choy Ah In, at the fire 117 Pine St.

Mrs. Theodore E. Baugh and Jane McCarty (aged 11), from kindling fire with coal oil.

Hay Tong (child), and Pat. Morrison, from explosion of coal oil lamps.

Kate Burk, from kindling fire with coal oil.

AVERAGE LOSSES, ETC.

The average loss by each of the 304 actual fires is \$3,472.94, and the average loss to each inhabitant of San Francisco, estimating the population at 295,020, is \$3.57. The proportion of loss, in relation to all the buildings in the city, which are set down as 27,000, is 1 to every 56. The losses under \$200 were 207; between \$200 and \$500, 22; and from \$500 to \$2,000, 42. Above the last-named figures there are 33 losses, including the four largest losses mentioned in another part of this report.

THE COMPARATIVE TABLES

Exhibit the statistics of all the subjects before mentioned from July 1st, 1872, to June 30th, 1877. The average loss to each inhabitant and the proportionate loss to the number of buildings are given as follows :

From	Loss.	Population.	Average loss.
1872 to 1873	\$383,360.10	183,723	2.08
1873 " 1874	323,277.58	200,770	1.61
1874 " 1875	640,492.67	223,132	2.84
1875 " 1876	705,181.22	267,345	2.63
1876 " 1877	1,055,776.35	295,020	3.57

From	Actual Fires.	No. of Buildings.	Buildings Burned.	Pop. of 1 to each
1872 " 1873	189	20,887	208	100
1873 " 1874	225	21,000	216	100
1874 " 1875	234	23,700	251	94
1875 " 1876	255	25,500	261	97
1876 " 1877	304	27,000	478	56

THE FIRE WARDEN DUTIES,

Performed by the Fire Marshal, have been very onerous, and have extended over 1,240 cases which came within the scope of the fire ordinances. Under these ordinances 100 arrests were made, from which there

resulted 95 convictions. Fifty complaints also were preferred, but were dismissed on the parties complained of complying with the terms of notice. During the year there have been erected by this department 594 chimneys of various descriptions. Besides, it has caused the removal of 150 stove-pipes.

THE CONSTRUCTION OF OUR PUBLIC BUILDINGS

Is severely criticized by the marshal, who recommends the passage of a very stringent law, compelling the owners of churches, schools, theatres and public halls to furnish more facilities for egress. Some of our churches, he says, are the worst constructed buildings in the city, and should a panic occur during service, the loss of life, he thinks, would be fearful, especially among the women and children. It is recommended, also, that managers of theatres should be compelled to keep proper fire appliances and a sufficient number of trained men to attend to them during the time of the performance.

INSURANCE PATROL.

In conclusion, the Marshal thanks the various departments that have assisted him in his labors, and speaks of the Insurance Patrol as follows:

"It is unnecessary to say anything in regard to the Fire Patrol, as their acts and achievements, under Captain White, for the past year, speak for themselves."

—In a recent lecture in Edinburgh, on "The Stars," Prof. Grant said that a railway train traveling night and day fifty miles an hour, would reach the moon in six months, the sun in 200 years, and Alpha Centauris, the nearest of the fixed stars, in 42,000,000 years; a cannon-ball traveling 900 miles per second, in 2,700,000 years. Light from some of the telescopic stars takes 5,760 years to reach the earth; from others, 500,000 years. These stars, therefore, may have become extinct thousands of years ago, though their light comes to our eyes. Alpha Lyra is 100,000,000,000 miles from us, and its magnitude and splendor are as twenty to one compared with our sun. The sun is neither greater nor smaller than most of the stars.

Department Reports.

Since the issue of our last number, we have received the following reports:

WISCONSIN FIRE AND MARINE.

This report is dated June 1, 1877, and furnishes some statistics for the current year, in addition to the tabular statements for 1876. The number of companies licensed in 1876, including those of the State, is 144. Since January 1st last, eight companies not in last year's list have been admitted to do business, and thirteen that were in that list have either withdrawn or been ejected for not complying with the law. At the date of the report 139 companies were in operation under license. Of these, nine are of Wisconsin, 110 of other States, and the remainder of foreign countries. The fire business done in Wisconsin during the year 1876 is represented to be as follows: Risks written, \$116,806,019; premiums received, \$1,767,625; losses paid, \$623,082. In marine business the premiums were \$30,803, and the losses paid, \$11,592.

WISCONSIN LIFE AND ACCIDENT REPORT.

Twenty-nine life and accident insurance companies were licensed in 1876, and the number of the companies transacting business at the date of the report, viz.: June 1, 1877, was twenty-four. The business in Wisconsin for 1876 is stated as follows: Number of life policies issued, 3,096; amount insured, \$9,017,686; number of accident policies, 1,623; amount insured, \$5,087,150; life policies in force at the close of the year, 23,489; amount insured, \$39,332,798; accident policies at same time, 1,412; amount insured, \$4,425,821; premiums received in 1876, \$1,211,728; losses paid, \$408,939.

THE ILLINOIS LIFE AND ACCIDENT REPORT

Is dated July 6, 1877. Thirty-eight life companies are authorized to transact business for the current year. Of these only one company is of the State of Illinois—the Protection, which has since been in trouble. There is one California Company—the Pacific Mutual. There are three accident companies, all of Connecticut. The aggre-

gate life business for 1876 done in the State, by all the companies, is stated as follows: Number of policies issued, 7,354; amount insured thereby, \$17,644,179; premiums received, \$3,086,881; losses paid, \$1,593,214. The policies in force on the 31st of December last were 49,437, insuring \$103,963,146. Exact information in regard to all the accident companies is not given. The companies in receivership are the Republic Life and the Chicago Life. Particulars in regard to the former will be found in previous numbers of THE REVIEW.

THE MICHIGAN LIFE REPORT

Gives the names of thirty-four companies authorized to do business in that State. Of these one only is of Michigan. In 1876 the policies issued were 3,795, insuring \$6,906,513. The premiums received were \$1,433,226; losses paid, \$608,269. The Commissioner states that there are about 1,500 Michigan policy-holders in the liquidating Continental. The other insolvent companies did little business in that State.

The South British Fire and Marine Ins. Co., of New Zealand.

This company, whose headquarters are at Auckland, New Zealand, has resolved to try the fortunes of war in California and the tributary States and Territories. Apparently, it has sufficient resources for all the chances of success, and it has been placed here under the enterprising generalship of W. J. Callingham & Co., who are extensively and favorably known on this coast as the general agents of the Royal Canadian. The report of the company, made up for the ninth half year ending February 28, 1877, shows a paid-up capital of \$375,000, and assets to the amount of \$688,025. The liabilities, exclusive of capital, and including \$200,000 reserve fund, were \$258,215, thus showing a surplus as regards policy-holders of \$429,810. The fire and marine premiums received for the half year were \$289,540, and the losses, \$143,485.

We have much pleasure in calling attention to this institution, and feel confident that the advantages it may have for

business on this coast will be made the most of by the experienced management to which it has been confided.

Fair Play for Furber.

Mr. Furber, formerly Financial Manager of the Charter Oak, and under whose inspirations the Universal and the North America have been involved in some questionable transactions, has addressed two letters to the *New York Times*, vindicating his proceedings in regard to the company that has been first named. As this gentleman was made the subject of attack in our article on the Universal, which appeared in the August number, we hasten to give him a hearing through these columns, and condense from his communications what we consider as essential and interesting.

Mr. Furber became connected with the Charter Oak on or about the 1st day of December, 1875, and, according to his showing, that company was then deficient in the sum of \$1,602,485.81. Its affairs, however, were not so exhibited in the Department's report for the year 1875, which shows a surplus of \$487,316; but Mr. Furber claims that there was an over-estimate in the premium note account of \$960,000, and credits on mortgages contributed by him to the amount of \$800,000, on which he had received only \$72,197.50. He also adds to the liabilities as officially reported, the sum of \$402,000, for omissions in the schedule of reserves and death losses. Reference is then made by Mr. Furber to the report of the committee appointed by the insurance companies in Hartford to examine into the affairs of the Charter Oak, and the result of that report showing a deficiency of only \$733,005.31, he triumphantly claims a recuperation under his management of \$869,480.50 in twenty months, and during that time he says the company paid its policy-holders in dividends more than \$150,000. He does not fail to point out that assets classed uncertain by the committee were in the assets when he took charge of the company's affairs, and that if they are uncertain now, they were uncertain then.

The second letter of Mr. Furber is a very

spirited production, and is a reply to Governor Bross and others who, it is said, undertook to prosecute Mr. F. on criminal charges. Mr. Furber calls on the President of the Charter Oak, Mr. Jewell, to take legal measures for the recovery of the \$1,000,000 which he (Furber) was said to have stolen, provided that there is any evidence to sustain this accusation. A clause in an agreement is also transcribed by which Furber was to receive from the new management all the indebtedness of the Connecticut Valley Railroad Company, provided his accounts were found correct. He declares that on examination such accounts have been approved, and that such indebtedness has been assigned to him by vote of the new Board of Directors.

Mr. Furber's protest has a good ring about it, and without further evidence we decline to pronounce that it is not of genuine metal. He is, however, yet to be heard from in regard to his transactions with the Universal, the Guardian and the North America. We should like also to hear from him the history of the \$727,802.50 balance on the \$800,000 of mortgages, which were to be contributed by him to the funds of the Charter Oak.

North America Life.

An attempt is being made to galvanize this moribund corporation. Mr. Barnes, formerly Superintendent of the New York Insurance Department, is at the head of the movement, and says that the company will be solvent if it can obtain its own. The history of its decline and fall is as follows: In 1874, under the inspiration of the irrepressible Furber, the Universal Life Insurance Company gave the officers of the North America \$400,000 to resign their positions. The former company then assumed the management of the North America. In 1876, under what is known as the wrecking process, the Universal had succeeded in gobbling up about 10,000 of the North America's policy-holders by the exchange of policies. A refractory policy-holder, not being satisfied, and threatening to bring suit, Furber himself applied for a receiver.

The North America has \$1,150,000 deposited in Albany to secure policies which were issued on a registration system, peculiar to this company. The registered policies will, in all probability, be fully protected. It is said that there are few of the ordinary policies in existence, but we are induced to doubt this statement.

Mr. Barnes is confident of being able to remove the receiver, and he has induced many of the policy-holders to join in an application for a continuance of the company's business.

Districting Cities for Fire Risks.

We learn from the *New York Mail* that some of the underwriters of that city are moving for the preparation of a law, and for its passage at the next session of the Legislature, in order to restrain the reckless writing of large lines on one locality. The extent of the danger to be guarded against may be seen in the *Mail's* editorial, entitled "Rather Serious Business," which we have transferred to these columns. It is proposed that the cities and towns of the State should be divided into fire districts, and that no insurance company shall have at risk in any one district more than the amount of its capital and net surplus. A law for a similar purpose is in operation in Massachusetts. We subjoin the section which immediately relates to the evil complained of:

SECTION 18. The mayor and aldermen of the several cities, and the selectmen of towns having more than four thousand inhabitants shall, before the first day of October, in the year eighteen hundred and seventy-three, divide their respective cities and towns into fire-insurance districts and immediately thereafter file plans and specifications thereof with the Insurance Commissioner, and the same shall be subject to his approval; and if he disapproves the same, the mayor and aldermen, or selectmen, shall forthwith re-district such city or town in conformity to his requirements. And no company or association transacting the business of fire-insurance in this Commonwealth shall, after said first day of October, take or have at risk on property

other than dwelling-houses, farm buildings and their contents, in any town or such fire-insurance district of the city or town therein, an amount exceeding its net assets available for the payment of losses in Massachusetts; and in computing the assets of such company or association insuring property upon the mutual principle, its premium notes shall be included. When from any cause the net assets, as aforesaid, of any such company or association shall be reduced to a sum less than the amount taken or held at risk in any town, or any such fire-insurance district as provided in this section, such company or association shall forthwith either cancel or return to the holder the unearned portion of the premium upon policies upon property in such territory to an amount equal to the difference between the net assets and the amount taken or held at risk, as aforesaid, or effect re-insurance upon such property for a like sum; and no such cancellation shall take place except after notice to the holder of the policy.

Every such company or association shall annually, on or before the fifteenth day of January, return to the Insurance Commissioner a sworn statement of the amount taken or held at risk in each town or fire insurance district of a city in this Commonwealth, on the thirty-first day of December next preceding. The Insurance Commissioner may, whenever he deems expedient, require of said companies or associations such a statement, or any part thereof; he may also require such other information, and adopt such rules and regulations as he may deem proper and necessary to procure reliable information upon this subject. For every policy issued in violation of the provisions of this section by an insurance company incorporated under the laws of this Commonwealth, the President and Secretary thereof shall, severally, upon conviction, be punished by a fine of fifty dollars. Any agent of company or association not incorporated under the laws of this Commonwealth, but duly authorized to transact business therein, shall, upon conviction, be punished by a fine of fifty dollars for each

policy issued in violation of the provisions of this section, and upon a second conviction, his certificate of agency or license shall be revoked by the Insurance Commissioner

Columbus Letter.

[From our Regular Correspondent.]

COLUMBUS, O., August 21, 1877.

Editor Coast Review:

DEAR SIR:—An apology is quite due you for my apparent neglect during the last two or three months, but “shust you just overlook me one time again, and I don’t do him any more.” Since last writing to you everything has been “out of joint” and at *wrong ends*, and one calamity has followed another so closely, that they “seem to tread upon each other’s heels so fast they follow.”

The *strike* has been the “burden of our song,” but *that* having ended in a grand shower of *brick bats*, we peacefully rest. But there has grown in our heart the feeling that, if *they* strike again, we will *strike back*, as it is a poor rule that won’t work both ways. The Life Insurance problem is working itself out *gradually and successfully*, and is cooling down to a solidity. Old Smarty isn’t going to insure—not because he don’t want the insurance, but because all companies are going to “bust up,” even the chief among one hundred, when in truth he could now insure with more safety than at any former period in the history of American Life Insurance.

Because a fellow in Gotham tried to jerk the pins from under the Charter Oak and *failed* (thanks to the shrewdness of the nutmeg makers) is not the slightest reason in the universe that the whole United States and part of the Sandwich Islands are failing. More companies however, sailing under the banner of Life Insurance, have yet to be captured, after which we have reason to look for peace and tranquility in this branch of the business, for the balance of the *longest lived* of this generation.

Among the number, which have a *charter* to do Life business is the Union Central, who is still defying competition for the championship in deceiving everybody that

has "dailin's" with them, State Commissioner with the rest.

It was only in May last, that the Sheriff of Hamilton County levied upon the above Company's home office, to satisfy a judgment of \$5,000 and costs, that had been obtained against them under a loss, two or three years ago; but while they had the Sheriff wait an hour or two, they procured the *little* signatures of some of the directors and their friends to a bond, that they would "*certainly* pay it in fifty days." What a glorious thing to be *king* of birds. However, they *may* be in better shape to pay claimants for losses than heretofore, from the fact that they have added to the "*she-bang*," a new arrangement for taking in dimes, in the way of a *hildsie bund*, viz: "*Pays you when you get sick.*" Ha! ha! who wouldn't insure in the Union Central and get sick *these bad times*. Mr. Harris also advertises to furnish valuable information to merchants generally through a mercantile agency. He will probably take in *washing and scrubbing* by Christmas, where you can call and get "*done up*" in such shape that shall cause the Heathen Chinese to cast back in our teeth "*Ruined by American cheek.*" Perhaps our September letter will contain some statistics concerning the above company. Yours truly,

BUCKEYE.

The St. Louis Mutual Life Insurance Company.

The following information obtained from the report of the referee in the suit of the Insurance Department of Missouri *vs.* the Columbia Life Insurance Company of that State, is submitted in reply to the many inquiries concerning the standing of the St. Louis Mutual. In the Fall of 1873, this Company was found to be deficient on its reserve, and proceedings were commenced for the purpose of placing it in liquidation. Subsequently those proceedings were withdrawn, and negotiations were entered into with a view to re-insure its risks in the Columbia Life, then known as the Mound City Life Insurance Company. In January, 1874, a contract for such re-insurance,

dated December 13, 1873, was finally executed between the two companies, and the assets of the St. Louis Mutual were transferred to the Mound City. The stock of the former—of the nominal value of \$1,000,000—was redeemed by the latter at par. This stock, it is alleged, was worthless. As usual in such cases, a considerable sum in the guise of brokerage was paid to the President of the retiring company and his friends. Now come Von Phul and others, receivers of the St. Louis Mutual, and demand at law from the Columbia an accounting, and a re-transfer of the assets before mentioned. The defendants answer, denying all liability, but the merits of this answer are not explained in the referees' report with sufficient lucidity. We do not understand that the Columbia denies its obligation to the individual policy-holders of the St. Louis Mutual who are in good standing on its register. The St. Louis Court of Appeals, in the case of *Celsus Price, Superintendent, vs. The St. Louis Mutual Life*, declared that the contract for re-insurance was void as against non-assenting policy-holders. No rule, however, was established by which such non-assent can be determined. The case is one of considerable complication, and the decision cannot be arrived at until after long delay and profuse expenditure of assets. It may be interesting, as an abstract enunciation of principle and practice, but to us it appears like a realization of the fable in which each of the litigants was presented with a shell, while the umpire was swallowing the oyster. It seems to our unlaywer-like understanding that the policy-holders of the St. Louis Mutual, who are reinsured in the Columbia, will not be benefitted by being relegated to the treasury of their original company. At present this is empty, all the assets of the St. Louis Mutual having been transferred to the Columbia Life. Even should the corporate demand of the former company be sustained, it is not likely that it will constitute a preferential claim, and therefore the pro rata of the policy-holders would be the same whether they stood as creditors of the one company or the other.

The statement published by the referee shows that the Columbia, in its account with the St. Louis Mutual, alone is deficient \$1,327,709, the total liabilities being \$2,138,438.92 and the offset assets, \$810,729.67. Assuming the Columbia's liability in regard to all the companies that it has reinsured, the liabilities exceed its assets by \$1,830,084. The situation is further conglomerated by charges and recriminations among the officials and lawyers directly or collaterally interested. Altogether, it is "a very pretty quarrel" as it stands.

The St. Louis Mutual must not be confounded with the St. Louis Life, which was one of the names by which the Columbia was formerly designated. This company, before assuming its present name, was known successively as the Mound City and the St. Louis.

Loss by Riot, Insurrection, Civil Commotion, Military or Usurped Powers.

[From the *Western Insurance Review*.]

The loss of insured property at Pittsburg, and the danger to property at other points, has caused a general inquiry as to the liability of insurance companies. In some of the States, the counties and cities where loss arises in their borders from civil commotion, must make good the loss. There is a general statute in Missouri to that effect. In Pennsylvania there are special statutes applying to the counties of Philadelphia and Allegheny. In the last-named county is the city of Pittsburg, where the loss has been greatest. In case the damage is paid by the counties, we may suppose that the insurance companies will have the benefit of the payment, or on payment of the loss be subrogated to the claim of the insured against the county. This is the result of the reasoning in the case of *Murray vs. Harmony Fire Insurance Company*, 58 Barb., 9, where a vessel was seized and sunk by the United States authorities. The insured claimed of the United States Government, and received \$16,000 or \$17,000, very nearly her whole value. The Court held that there was neither an absolute nor a technical total

loss, because the Government of the United States had made good nearly the whole of it.

Most policies provide that the insurer shall not be liable to make good any loss by fire which might happen by means of invasion, insurrection, riot or civil commotion; and some use also the terms, military or usurped power. These terms have been at various times construed. Ordinary mobs do not come under the head of "usurped power." "Usurped power" would seem to mean that of an armed invasion or rebellion, where armies are on foot in their support; and in that case their purpose must be treasonable, while in the case of an ordinary mob the purpose is merely criminal. *Drinkwater vs. London Assurance Company*, 2 Wilson, 363. "Usurped power," says Lord Mansfield, in *Langdale vs. Mason*, 2 Marsh. Ins. 688, "is rebellion conducted by authority, got to such a head as to be under some authority." It is not a case of usurped power when the authorities of a city blow up a building for the purpose of arresting a conflagration. *City Fire Insurance Company vs. Corlies*, 2 Wend. 367. Where the policy stipulated "no insurance against loss by fire occasioned by mobs or riot," and the property was burned by an organized military force of the Southern Confederacy, the Court held that the Confederates were not a mob or rioters, but a regularly organized public enemy; that the act of burning the bridge was an act of sovereignty, executed by the regularly constituted authorities, and therefore not within the saving clause of the policy. *Harris vs. York, Mutual Insurance Company*, 50 Pennsylvania, 341. In the case of *Boon vs. Aetna Insurance Company*, 40 Conn. 575, the policy contained a stipulation on all the subjects mentioned in the title to this article. The loss occurred by the command of the United States authorities, who caused the property to be destroyed to prevent its falling into the hands of the enemy. This was held not to be a loss by means of the unlawful attack of the enemy, nor by means of invasion, insurrection, riot or civil commotion, for the act of the commander was lawful,

and the policy did not except loss caused by the lawful acts of the military authorities of the Government. The exception was confined to unlawful acts by persons acting in hostility to the Government or in subversion of it, and this loss was not within the exception. But loss occasioned by the rebels during the late war was held to be within the terms of the policy, although it was not shown to have been commanded by the leaders of the Confederate forces, and might have been accidentally communicated by the camp-fires of the troops.

A civil commotion is a long-continued, violent and tumultuous riot—an insurrection of the people for general purposes, though it may not amount to a rebellion where there is a usurped power. *Langdale vs. Mason*, 2 Marsh. Ins. 688. A riot is established where it is shown that three persons congregated together and set fire to a building. *Dupin vs. Mutual Insurance Company*, 5 La. An. 432; and the fact of the riot need not first be established by the judgment of a competent court in a criminal proceeding, nor is it material that the riotous assemblage was originally gathered for a lawful purpose.

In a life insurance case—that of *Spruill vs. North Carolina Mutual Life Insurance Company*, 1 Jones Law. 126—there are given several definitions of the terms employed. An insurrection is defined to be “a seditious rising against the Government; a rebellion; a revolt;” and a riot to be “where three or more persons actually do an unlawful act, either with or without a common cause, the intention with which the parties assemble, or at least act, being unlawful.” A commotion was defined to be “a tumult; and a tumult to be a promiscuous commotion in a multitude; an irregular violence—a wild commotion. A civil commotion, therefore, requires the wild or irregular action of many persons assembled together.

—The recent attempt to fire the new railroad depot at Marysville has been traced to Chinamen. Four have been arrested, and one, it is said, has confessed.

The Oakland Fire Department — Unfair Criticism.

Much criticism has been made concerning the action of the Fire Department at the recent City Hall fire, and there has been swift haste on the part of the Oakland press, and some portions of the people, to condemn Chief Fuller because of its total destruction.

We do not desire to take a partisan view of the controversy, but careful inquiry satisfies us that these critics do the Fire Department great injustice. All accounts agree, that when the fire was discovered, and the alarm given, the entire roof was in flames.

The records of fires show, that when the upper portions of large and high buildings are ignited the chances for extinguishment are very largely reduced.

We know that Mr. Fuller has made persistent efforts to thoroughly organize his forces, and to introduce reform into the Department and water supply. As an insurance man he has opportunity to appreciate the importance of promptness, and to secure this he has had the mayor and councilmen, from time to time, to visit the Fire Department and Fire Patrol of this city, in order that they might see the practical workings and the advantages of saving time at the outbreak of a fire. He has also urged the introduction of more and improved hydrants, and the abrogation of the custom of using the Department horses for hauling the sprinkling-carts.

As is the case with many other cities, Oakland's water facilities and its Fire Department have not kept pace with its rapid growth and the expansion of its territory. Many of its largest buildings are beyond the limits of hydrants, or are at points so remote from hydrants as to cause the loss of much time in getting water on. We think if the people and press of Oakland would support Mr. Fuller's efforts toward reform instead of aiding to demoralize the Department by unfair criticism, the safety of the city against extensive fires would be materially enhanced.

The Drumm-Street Fire.

So far as Mashal Durkee is at present able to report, the insurance on the property destroyed by the Drumm-street fire foots up \$154,100. It is said, also, that many poor people who held policies for small sums on their property, have, since the fire, ascertained that the companies in which they were insured have failed or wound up their business. This is the old story over again. Some swindling institution, in the name of an insurance company, takes the money of these poor people under false pretences, and when the inevitable crop of losses matures, managers either fail or decamp. We have had somewhat too much of this kind of financiering in the past, but it was hoped the appointment of Insurance Commissioners had put an end to it.—*S. F. Call, August 17th.*

Mr. Commissioner Foard is, we believe, a protégé of the *Call* and other papers which make common cause with it on the subject of insurance legislation. That journal therefore is advised to interview that fungus-headed functionary, and to propound to him the following queries:

First—"On what evidence of solvency did you admit into the State these swindling institutions (if such there were) which have cheated the sufferers by the Drumm-street fire?"

Second—"When it was known to you that such companies were insolvent, why did you not notify all the policy-holders therein in order that they might cover their property in other companies?"

His answer to the first question would probably reveal the inefficacy of State supervision, and the inutility of his own official existence would be instantly apparent in his answer to the second. The futility of insurance legislation as it exists at present, is a subject that has been worn threadbare under the manipulations of insurance journalism, and we gladly throw it into the rag-bags of the *Call* and its colleagues. The conversion of Mr. Commissioner Foard to anything in the shape of rationalism is also despaired of. We have tried against him

all the weapons of reason and ridicule that lie in our armory. Perhaps the *Call* may be more successful.

Rule for the Valuation of Life Policies in Insolvent Companies.

Mr. Raphael J. Moses, Jr., counsel of the *Insurance Times*, in reply to questions submitted to him by that journal, has given the following opinion in regard to the rules of valuation that will probably be accepted by the liquidating life companies in settling the claims of their policy-holders. That part of counsel's opinion which relates to the valuation question, is stated as follows:

No rule of valuation has been sufficiently generally adopted to be considered settled.

In England, in the *Bell* case, the Chancellor adopted the rule of *special replacement*, taking each particular case, and ascertaining what it would cost to re-insure the assured, in a solvent company, at his then age, condition of health, etc., at the same premium he was paying in the old company.

The United States Supreme Court, in the *Statham v. New York Life Insurance Company* case, adopted the rule of *general replacement*; that is, to assume the assured life is exactly the same as at age of issue, with the single exception of lapse of time, and give him a sum sufficient at his then age, added to the premiums he is obliged by his policy to pay, to purchase a like policy; or, in other words, the difference between the gross premiums at the age of issue and on the day of the appointment of the Receiver is capitalized for the expectations of life at the last date.

In the "*Albert*" and "*European*" Arbitration Acts, the arbitrators, Lords Cairns and Westbury, each adopted a *general* valuation, using only *net* premiums. This was afterwards embodied in an Act of Parliament of Great Britain, and adopted by the Court of Common Pleas of this city, in the *Eclectic* case. Any insurance man will understand instantly this rule. It makes the distribution on the basis of the *reserve*. The State requires the company to keep against each policy.

The case before the *United States Supreme*

Court was not contested on the measure of damages, in so far as to whether the rule should be that of a *general* or *special* replacement.

In the *Newland* case, reported in 9 Bankruptcy, Rep. 62, Judge Blatchford at the time of the original proof of claim on a policy of insurance, no *special* circumstances being shown, directed it to be valued on the *general* tables of mortality and interest, but afterwards, prior to the dividend being actually paid, the assured died, and he directed a re-valuation on the basis of the actual expectation of life as shown by the death.

My view is that the balance of authority is gradually settling in favor of the Bell decision, *i. e.*, *special* replacement. Theoretically, it is admitted to be perfect—the difficulty lies in its practical application.

San Francisco Correspondence.

Dear Coast Review:—

When two San Francisco insurance men meet, the usual salutation is, "Well, Smith, or Jones, or Brown" (by the way, we've got all three of them), "how's business?" And S., or J., or B. as invariably replies, "Awfully dull; never knew so little doing before!" Now, all adjectives are matters of comparison, and if business may be pronounced *awfully* dull here, its condition east of the "Father of Waters" is most awfully and tremendously gloomy. The writer has but lately returned from an Eastern trip, and knows whereof he speaks.

From conversations had with brother members of the profession in Chicago, Philadelphia, New York and elsewhere, I found that, from the Mississippi Valley to the Atlantic Coast, three features were commonly and unpleasantly prominent; these were, a heavy shrinkage in lines, utter demoralization in rates, and largely increased losses. Either one of these conditions usually ends in the year's expenditures being in excess of the receipts; but when the three happen together, but one result is possible, *viz.*: the bankruptcy of many of the weaker companies, and the withdrawal of still more from the general agency field. When that has

been accomplished rates will again advance, and fire underwriting will assume its normal condition. A violent remedy, if you please, but an effectual one.

Since my return I have heard frequent predictions that we shall witness, ere long, a similar condition of things in California. I think not, for the reason that before we have had time to reach such a stage of demoralization, so many companies will have retired from the field that a reaction will have taken place, both in the East and here.

It was very apparent to me that a "war to the knife" was quietly and silently being fought by the larger companies, belonging to the practically defunct National Board, against their weaker competitors, with the object of making the business so unprofitable that the latter would soon be wiped out of existence. Of course there are many non-Board companies which can stand a fight as well as any, but the effort is not being made so much against them as against the small fry, who have "waxed fat and kicked" on the good things they were able to pick up by being able to write *low down*.

Bitter complaints were made that the leading English, Hartford, Philadelphia and New York companies were writing even lower than the most of the rate-shavers; and those agents who have been lining their own pockets by going for business at a "little less than tariff," find themselves checkmated, and their occupation, like Othello's, gone.

It's "a very pretty fight as it stands, gentlemen," but it is just within the bounds of possibility that when it is over, the dead buried and the wounded cared for, that mighty few uninjured ones will answer to the roll-call. When the best companies write dwellings for five years at forty cents, retail stores and dwellings three years at forty-five cents, and besides pay twenty to twenty-five per cent. brokerage, as I am credibly informed they are doing, and when such companies as the L., L., and G. take Western Railroad property (more than half the line being on shops and bridges) at seventy-five cents per annum, the end is not far off.

It is devoutly to be hoped that Pacific underwriters will never fall into such suicidal errors, but will, by their forethought and common sense, set their Eastern brethren an example of conservatism they would do well to follow. In which hope I subscribe myself,

Yours,

HOME AGAIN.

Death of a Veteran and Pioneer.

The Irish papers report the death of the Rev. Mathew Magill, aged 74, at Sligo, in Ireland, on the 22d of June last. The Reverend gentleman was formerly connected with the Phoenix of Hartford, and twenty years ago established the Western Department of that company in Cincinnati. After presiding there, for many years, as general manager, he was succeeded by two of his sons. The Magills are an insurance family, and two of them, sons of the subject of this article, are still with the Phoenix, Mr. H. M. Magill being the general agent at Cincinnati, and Mr. Arthur E. Magill the manager of the Pacific Department. Another son, Mr. R. H. Magill, is the manager of the Alameda branch of the Home Mutual. Mr. Mathew Magill was, we believe, a prominent member of the Masonic order, and we remember to have read some poetic literature from his pen on subjects connected with that fraternity.

How Things Burn Up.

The report of the Fire-Marshal exhibits the fact that a considerable portion of the property burned up in the course of a year is the result of downright carelessness. There is a vessel in every house for the reception of the ashes. The law requires that this vessel should be of iron, but it is evaded in a great many cases. People put live coals in a wooden barrel, place the barrel alongside a wooden house, and expect that nothing will come of it. But the live coal or two sets the barrel on fire, the barrel sets the house on fire, and a big blaze follows. The amount of property destroyed last year by this carelessness reached the nice little sum of \$36,880.74, which would give a free

library a very good start. But it all went to smoke and useless ashes.

The match in the hand of childhood figures also very largely in this business. Matches are not exactly the proper plaything for children. The phosphorus of which they are made is a deadly poison. One of two things can always be predicated of the infant in relation to anything that it may get into its hands. If it does not bang it about and break it, it will suck it. With matches in their hands the children of this city the last year touched off \$21,599.20 of property. This is more than a quarter apiece for every child in San Francisco under seventeen years of age. There are in round numbers 80,000 of them. But it is a large amount to be set over to infantile destructiveness.

Young America, the boys of a larger growth, with their firecrackers, also have a place in the exhibit. The figures set opposite their names are \$6,466.25. But as this was for the centennial year, it may be passed over lightly. Another will not come around till three generations have passed away. Last time the small-boy was restrained in this pastime, and there is little or no damage chargeable to him. Perhaps he can finally be persuaded to give it up altogether, not only as destructive, but as unbecoming and barbarous. He is credited already with having burned down the best part of two large towns in the fervor of his youthful patriotism.

Kerosene as a destructive agent comes next. There are two things which can be assumed unhesitatingly of this fluid. It will cause explosions, for the reason that the persons using it will insist upon filling lighted lamps or pouring it over the kindling-wood in the stove. The number of deaths caused by this ignorance is very large every year; but there does not appear to be the least use in warning people about it. They will do it to the end of the chapter. The amount of property destroyed last year by this instrumentality was \$16,827.60. The second destructive certainty about coal oil is that people using it will upset lamps. If the fluid were not inflamma-

ble, very few of these accidents would occur. Being excessively dangerous, over they go on the slightest provocation. In this way property to the value of \$13,014.33 went up.

The other causes of fire are stated to be defective flues, ovens, ranges and sparks from chimneys. To the latter is set down the heavy loss of \$738,804.40. The great Brannan-street fire of a year ago ranges under this head. The losses by fire from unknown causes are set down at \$71,347.49, in which are included incendiary attempts. The total loss by fire for the year is given by the Fire-Marshal at \$1,055,776.35, the greater part of which might have been saved by ordinary carefulness. But it is not greater, we think, than the average in other cities, though we have no data at hand to determine the fact. — *San Francisco Bulletin*.

Terrible Fire in New York.

As we go to press, there comes over the wires the news of this disaster, the terrific features of which is a great loss of human life. With every allowance for the liveliness of the reportorial imagination, we learn enough to know, that many men, women and children have perished under circumstances of intense agony. The loss of property is also great; but this fades into insignificance beside the other details of the terrible tale. The fire originated during work hours on the 3d of September, in Hale's Piano Factory, on West Thirty-fifth Street, between Tenth and Eleventh Avenues. It is said it was caused by the carelessness of a varnish rubber, who was heating some varnish over a stove. As may be supposed, from the nature of the materials contained in the factory, the flames made rapid progress. Several buildings were reduced to ruins in three-quarters of an hour—among them the factory itself, which was a structure of eight stories.

From the beginning there seemed to be no chance of extinguishing the fire, the draughts in the building acting as a gigantic bellows in blowing up the flames. Also, the water supply was deficient, and there was a criminal lack of fire-escapes and other means for

the preservation of life. The killed and wounded are variously stated at from forty to one hundred, but it is probable that after a little time many of the missing will report themselves. The destruction of property extended over the whole block bounded by Thirty-fifth and Thirty-sixth Streets and Tenth and Eleventh Avenues, and comprises about fifty buildings. The total loss is estimated at about \$500,000, and there was probably insurance for about \$200,000.

Allowances for Appliances for the Extinction of Fires.

The practice of allowing to insurers a percentage of their premiums for having on the premises appliances for the extinction of fires, is deservedly spreading. The evils of fire may be greatly mitigated, and the general interest much promoted by this course. The recognition of the principle in tariffs, referring to extensive classes, will naturally tend to the establishment of the system.

A reduction equivalent, it may be, in some instances to a tenth part of the premium, for steam fire-engines, stationary fire-engines, fire-pumps, and plugs, or a less sum for manual engines, buckets, or cans, and the useful little apparatus named *L'Extincteur*, is an effectual way of encouraging these precautionary measures.

But whether a saving of premium can be effected or not, agents should always recommend the use of some of these means of coping with fire in its infancy in all extensive establishments. Honest men never want fires, although they may be heavily insured; and the surest way of preventing destruction is to have on the spot the means of disposing of merely incipient conflagrations.

We have on more than one occasion alluded to this subject; but it is important enough to warrant a good deal of iteration, and the further recognition of the plan of offering pecuniary inducements to certain classes of insurers on a large scale renders the occasion opportune.—*Insurance Agent and Insurance Review* (London.)

—Cigar-smoking in a barn at East Oakland has destroyed \$1,000 worth of property.

Indictment of J. G. Edwards for Libel.

We notice that the Grand Jury has found an indictment for libel against J. G. Edwards, proprietor of this paper, based on an article which appeared in our last issue, reflecting upon the management of the Odd Fellows' Savings Bank.

Mr. John Cammet, Surveyor of that Bank, is reported as a member of the Grand Jury, and it was doubtless at his instigation that the indictment was found. The impropriety of a man sitting as a juror in a matter in which he is personally interested is manifest, and will probably invalidate the indictment.

Mr. Edwards is now absent in San Diego, and the editor *pro tem.* has no personal knowledge of the matter. When Mr. Edwards returns, he will either promptly substantiate his charges, or if made under error, as promptly withdraw them.

The invalidity of the indictment will not prevent a full retraction if injustice has been done, as it is the policy of this journal to deal fairly by every one. And if at any time it commits an error, which is not often the case, the error will be corrected, because it is right that it should be.

Fireproof Cities.

While numerous fires destroy about eighty cents in the hundred dollars, annually, of the whole combustible property of the United States, and something like one-third this ratio in Europe, it is yet a curious fact that there are cities and towns almost absolutely fireproof; that is to say, inflammability, internal hazard, and external exposure are reduced to the minimum. Two examples of such flame exemptions exist in Buenos Ayres and Montevideo, two South American capitals, about one hundred miles distant from each other, the former of which is still destitute of anything like a sufficient water supply, while the latter was similarly deficient until a few years ago. South American earthquakes make one-story houses the fashion in South America, and one-story

ry houses are poor flame-spreaders; and in addition to this, the country around the two cities named is poorly supplied with timber. So the houses have been built with a view to the greatest possible economy of wood, and there is an absence of heat-expanding iron and heat-disintegrating stone. For joists, rafters, etc., the people of Buenos Ayres are compelled by circumstances to use hard woods. The rule in the construction of buildings is, that if a large number of small wooden rods, like canes, be placed, say two inches apart, like a gridiron, over two thin brick walls, supporting their ends, a fire made below will burn through a few of the rods that are directly in the flame, and there the destruction ends. In the same manner, if a cartload of shavings and pine wood were placed under a bed in a Buenos Ayres house, and other furniture piled thereon, and the whole set on fire, four or five of the joists of the floor above would be burned, and the bricks and tiles would fall through, but there the damage would end, for the house could not be set on fire. The mode of building is as follows, the material of the walls being brick: Each floor and the roof—for the latter is quite flat—is supported by joists of hard wood, laid about eighteen inches apart. Across these are placed rails of the same kind of wood, $3\frac{1}{2}$ by $1\frac{1}{2}$ inches, and the space between the latter bridged over by thin bricks, $13\frac{1}{2}$ inches long; another layer of bricks is then put on, and over it a floor of tiles. The roof is made in exactly the same manner, except that it is laid in cement, and has a slant of one foot in thirty or thirty-five. The doors and windows have no boxes, but only frames for the sash; and there is no latbing, nor wainscot, nor skirting. The doors and window shutters are of cedar, or some hard wood that is slow to ignite.—*American Exchange and Review.*

—A fire at Paris, Texas, has destroyed over a million dollars worth of property. Several lives were lost. A man named Taylor set fire to the City Saloon by pouring oil on the floor. He remarked that he would burn the damned town. Taylor has been arrested.

Olympia, (W. T.) Fire Department.

The recent fire in this city, which is said to have destroyed \$20,000 worth of property, will naturally lead to inquiries concerning the resources of the Fire Department for meeting or preventing a similar calamity in the future. From a report received from that place, it appears that the Fire Department is composed of ninety-five disciplined volunteers, under the command of A. Farquhar, Chief Engineer. Their machinery and gear consist of one hand-engine, some fire-extinguishers, and 600 feet hose (three-inch coupling), in serviceable order. The department is assisted also by one hose company and one hook and ladder company, both well-equipped, and in a state of efficiency. One watchman does duty as a night police. The source of the water supply is the Deschutes River, which is considered ample for fire purposes. There are two reservoirs, one large and one small, about a mile from the business part of the city. Their capacity is not given. The public cisterns number thirteen, and are situated near the business center. The capacity of these is as follows: Three of 8½ feet square; five, of 11 feet square; one, 7½ feet square; three, of 9 feet square, and one 13 feet square. Three are supplied by mains, and ten from natural springs. There are no hydrants. The fire ordinances, which are strictly enforced, prescribe certain fire limits, in which the erection of wooden buildings is prohibited, and within these limits, no stove-pipe chimnies are allowed. The population of Olympia is about 1,200.

—The Secretary of the Lycoming Insurance Company explains, in a circular to the agents of that company, that the assessments marked against its name in the list of companies winding up, etc., is the regular annual assessment, made in accordance with its system of business. The *Baltimore Underwriter*, in alluding to the list before mentioned, says it has been copied with great gusto by the malicious portion of the press. We also have copied it, but merely as an item of intelligence, which was obtained on good authority.

August Fires on the Pacific Coast.

In consequence of the absence of our editor-in-chief, who is in the Southern country on a recuperating expedition, we are unable to present our fire record with the comprehensiveness and precision that would have come from his experience. In some cases we have not been able to obtain the information that is generally given to him by the insurance companies. Persons interested are requested to point out any errors that may be found herein, in order that corrections may be made in our next number.

THE DRUMM STREET FIRE.

A list of the insurance, as it was reported at the time of the fire, will be found on page 306. The losses paid are here subjoined:

California, S. F.....	\$2,000
Commercial, S. F.....	1,400
Lamar, N. Y.....	850
French Corporation, Paris.....	143
Lycoming, Pa.....	406
Home Mutual, S. F.....	5,454
Union, S. F.....	2,455
London Ins. Corp., London, on br'k build'g	1,250
Hamburg-Bremen.....	150
Fireman's Fuzd.....	1,813
Fairfield, Conn.....	813
Commercial Union, London.....	500
Berlin-Cologne, Berlin.....	1,200
Svea, Gothenburg.....	1,100
Underwriters' Agency, N. Y.....	4,000
Manhattan, N. Y.....	260
British America, Toronto.....	2,000
Northern, N. Y.....	1,400
Jefferson, St. Louis.....	1,400
Citizens', New Jersey.....	1,800
Traders', Chicago.....	675
State Investment, S. F.....	10,000
Ætna, Hartford.....	3,144
New Zealand, Auckland.....	5,600
California Farmers', S. F.....	8,200
Royal Canadian, Montreal.....	3,500
New Orleans, N. O.....	5,251
Union F. & M., Texas.....	5,050
St. Paul, Minn.....	733
Home, Columbus.....	2,900
People's, New Jersey.....	4,084
Atlas, Hartford.....	1,425
Trade, New Jersey.....	1,000
Revere, Boston.....	900
Citizens', St. Louis, (not ascertained).....	
Transatlantic, Hamburg.....	6,772

THE CITY HALL OF OAKLAND.

On the night of the 26th of August, the City Hall of Oakland was completely de-

stroyed by fire. The flames were discovered issuing from the windows of the fourth story about 9:20 P. M., and an alarm was immediately sent in to the engine-houses. The crowd which had collected around the building then made several attempts to extinguish the fire, but without success, and by the time that the engines arrived the roof was in flames. At this point the bell in the cupola, used as a fire alarm, fell crashing. The streams were all directed from the ground, no one attempting to enter the building until the flames had reached the second story; some of the firemen then climbed on the top of the old Council Chamber and sent in a well-directed stream, staying at their posts until they could no longer bear the intense heat. About 9:45 an attempt was made to play the hose on the building from the front porch, but it was then too late to accomplish any good, and the hall was finally burned almost to the ground. Of the contents of the building, fortunately nothing of any value was destroyed. All the public documents were secured, as well as the safe in the Treasurer's office, which contained only between two and three hundred dollars, the balance of the city funds being deposited in the Oakland Bank of Savings. The foundation of the City Hall was laid in the Spring of 1869. The entire cost of the building was about \$70,000, but the upper story was incomplete. The structure occupied a portion of the block bounded by Fourteenth Street, San Pablo Avenue and Washington Street. Its dimensions were, including two wings, 100 feet front by 125 feet deep facing on Fourteenth Street. The basement was ten feet in the clear and was built of stone, but the rest of the building was of wood. The second story was twenty-five feet, the third twenty feet, and the attic roof fifteen feet. The cupola thirty feet high, making the entire height from basement to apex of tower one hundred feet. The basement was used for a City Prison, and a front apartment therein as offices for the City Physician, Board of Health and Fire Warden. On the first floor were the offices of the City Assessor

and the City Clerk, the Police Court, the offices of the Superintendent of Public Schools, and the City Council Chamber; also, the offices of the Engineer and the Marshal.

All the prisoners confined in the basement were removed in safety. The destruction is supposed by the Oakland people to have been the work of incendiaries, and the City Council has offered a reward of \$1,000 for the arrest and conviction of the guilty parties if such there be, but there is a theory among experts that the fire was caused by spontaneous combustion of the painter's rags (soiled with varnish and other inflammable stuff) which were left lying on the floor of the story from which the flames first issued. The insurance is as follows:

Homo Mutual.....	\$10,000
State Investment.....	5,000
Commercial.....	5,000
Total.....	\$20,000

It was said that some demur was made by the companies on account of parts of the building having been worked upon by mechanics without permission. We learn, however, that they do not now make this objection, and are ready to pay the losses on receiving the usual proofs.

MISCELLANEOUS.

July 29.—San Jose; building and contents; Liverpool, London & Globe.....	\$100
Aug. 1.—Santa Cruz; frame dwelling; incendiaryism.	
Union, S. F.....	800
Aug. 1.—Potrero Av. Soap Factory.	
French Corporation.....	833
Aug. 1.—Portland, Oregon; residence of Dr. J. H. Thosing: loss \$4,000;	
Union, S. F.....	1,800
Aug. 3.—Oroville; brick store.	
L. & L. & G.....	445
Aug. 3.—Carson; frame dwelling.	
Phoenix & Home.....	1,100
Aug. 5.—Santa Clara; wagon-makers' stock; Jonathan Hunt's Agencies.....	384
Aug. 6.—Carson City; frame dwelling.	
Imperial & Queen.....	750
Aug. 6.—Oroville; building and merchandise.	
New Zealand—building.....	300
" " merch'dise.....	1,200
Aug. 6.—Napa; frame dwelling.	
Phoenix & Home.....	473

Aug. 6.—Santa Clara; barn, 150 tons hay and six horses; loss \$8,000; Home Mutual, on building.....	500
Aug. 6.—Santa Clara; contents of William Patterson's paint shop; Anti-Chinese incendiarism; loss \$400; insurance, if any, not ascertained.	
Aug. 7.—Nevada City; frame dwelling; North British.....	500
Aug. 8.—Chico; Chinese store. Firemans' Fund.....	2,000
Aug. 9.—Carson, Nev.; dwelling and contents; Fireman's Fund.....	1,375
Imperial & Queen.....	600
Liverpool & L. & G.....	1,000
Aug. 10.—Pescadero Sulphur Springs Hotel, insured in Farnsworth & Clark's Agencies for \$2,000; loss not yet adjusted.	
Aug. 11.—San Bruno Road; barn. St. Louis.....	400
Aug. 12.—San Francisco; two farm buildings of P. Tobin. Phoenix & Home.....	1,000
Aug. 12.—Sutter Co.; Barn. L. & L. & G.....	200
Aug. 12.—San Bernardino; dwelling. L. & L. & G.....	400
Aug. 12.—Near Marysville; hay stack; incendiarism. Lycoming.....	1,000
Aug. 13.—Marysville; barn and contents; L. & L. & G.....	400
Aug. 15.—Near Napa; hay insured for \$500; further particulars not ascertained.	
Aug. 16.—Oroville; three fires—the only one doing any damage destroyed totally the residences of S. W. Reese, M. Raymon and E. Marks. Fireman's Fund.....	1,250
State Investment.....	1,830
Commercial Union.....	1,000
L. & L. & G.....	300
Aug. 16.—Sonora, Cal.; dwelling and barn; L. & L. & G.....	485
Aug. 17.—Chico; dwelling and contents; Fireman's Fund.....	2,440
Commercial Union.....	123
Ætna \$1,250 insurance (not yet settled.)	
Aug. 18.—Los Angeles; dwelling. L. & L. & G.....	1,170
Aug. 21.—Near Napa; barn, mowing-machine and hay; loss, \$2,500. Ætna.....	1,500
Aug. 23.—Virginia, Nev.; dwelling and contents. Fireman's Fund.....	650
Hartford.....	659
Aug. 22.—Alamo, Contra Costa Co.; dwelling, merchandise, etc.; no particulars.	

Aug. 23.—Bear Valley, Nevada Co.; barn and thirty or more tons hay; owner, E. O. Tompkins; hay is worth there \$40 per ton; loss, \$2,000; further particulars not ascertained.

Aug. 26.—Mission Street, S. F., between Howard and Beale; building owned by A. C. Freese; estimated loss \$1,500; stable and store-house in rear owned by H. Cline; damaged \$500. California Farmers on Freese..... 500
Other particulars not ascertained.

Aug. 29.—Oakland; Harrison Street; building and furniture; loss, \$600; insurance..... 300

—August 8.—At Olympia, W. T., a fire, originating in a stable, destroyed about \$20,000 worth of property. The insurance, of which we have not yet the particulars, is said to have been \$7,000.

—August 17.—Tomaes—a case of incendiarism. The burnt district is reported to comprise new and fine buildings, including the Metropolitan Hotel and the Bank of Tomaes. With the exception of the California Farmer's, \$600, there was no insurance. The loss on the buildings alone is probably \$10,000. An attempt to burn the lower part of the town was made on the night of the 18th.

—August 29.—Sacramento, corner Eighth and Q—Two small frame buildings; explosion of coal oil lamp; also house adjoining partially burned and injured by water. Loss not yet reported in full.

—August 29.—Brannan Street near Boardman Place, S. F.; destruction as follows: Three-story house on the N. E. corner of Brannan Street and Boardman Place, owned by John Donnelly; partially burned; Hanover House adjoining, owned by I. Cohill, almost entirely destroyed. Two-story house also belonging to Cohill partially burned grocery store belonging to McDonald injured. The occupants lost a large amount personal effects. Insurance losses not yet reported in full.

—August 30.—Winnemucca—E. Reinhart & Co.'s fire-proof brick building, containing general merchandise. Loss not yet ascertained.

CHIPS.

—The Equitable Life Insurance Company has an agency in Paris.

—Wilbur F. Hitchcox sues B. F. Wallis for slander. Both are insurance brokers at Alameda.

—The Home Mutual Insurance Company will pay its usual monthly dividend of 1 per cent. on the 10th of September.

—Fire Marshal Dyrkee says that many of the poor people who were burnt out by the Drumm-street fire have policies of insurance in worthless companies.

—A part of Angel Island has been seriously damaged by fire. Much of the undergrowth has been consumed and the live oaks have been permanently injured. Pick-nicking is supposed to have been the cause.

—A fire at Anoka, Minn., on the 21st of August, destroyed 800 yards of the track of the St. Paul and Pacific Railroad; also twenty dwellings occupied by the employees of the line. The Anoka Lumber Company lost two million feet of lumber.

—Ira D. Warren is the referee in the case of the American Popular Life. He is taking testimony in regard to policy-holders who have suffered by exchanging old policies for new. Receiver Lawrence claims that the former and not the latter shall be the basis of settlement.

—Fenner & Bingham's building, 310 Clay Street, caught fire on the evening of the 3d of September—a furnace used for making solder in the third story having ignited the wood work. The flames were soon subdued by the Fire Patrol. Little damage has been done.

—The Central Pacific Railroad will establish a system of fire alarms along a portion of their line. This is necessary, in order to prevent the frequently recurring fires in the snow-sheds. A tower of observation will be erected about four miles from Cisco, at an altitude of about 10,000 feet. This will command a view of the entire line of sheds from Blue Canyon to the Summit.

—Texas claims to have 1,750,000 inhabitants.

—Gold in New York, on the 1st instant, was at 3½ premium, the lowest figure it has touched since 1862.

—Wm. Fechmer's crop of grain in Sonoma County was destroyed by incendiarism. It is estimated that the stacks would have yielded 2,000 sacks of wheat, and they were valued at \$5,000.

—The Fire Underwriters' Association of the Northwest will hold its eighth annual meeting at the Grand Pacific Hotel, Chicago, on the 3d Wednesday of the current month. Reports will be read on the most important and interesting subjects connected with fire-insurance. An address on the claims of fire-insurance to professional rank will be delivered by Dr. Bombaugh, editor of the *Baltimore Underwriter*.

—The statistics in regard to the Lick House fire, which were not ready in time for our last issue, are as follows: Insurance on front building, \$69,000; personal property in same, \$16,000; rear building, \$32,000; furniture, paintings, engravings, fixtures, stores, engine, boiler, etc., \$8,000. Total, \$125,000. The payments made are, on fresco work, \$620; building, \$26,511; furniture, etc., \$7,000. Total, \$34,131. Subjoined is the division of insurance and loss among the companies:

Name of Company.	Total Insurance.	Total Payment.
Phoenix, Hartford.....	\$5,000.00	\$1,370.14
Imperial, London } Queen, Liverpool }	14,200.00	2,740.28
New Zealand, Auckland....	5,800.00	2,740.28
Phoenix, Brooklyn.....	7,500.00	2,055.21
Underwriters' Agency, N.Y.	7,500.00	2,055.21
Hamburg - Bremen, Hamburg	15,000.00	4,110.41
Home, New York	5,000.00	1,361.39
Commercial Union, London	5,000.00	1,361.39
Lancashire, Manchester....	10,000.00	2,722.78
German-American, N. Y....	10,000.00	2,722.78
Rhode Island Assn., Providence.....	5,000.00	1,361.39
Fireman's Fund, S. F.....	7,500.00	2,042.09
Royal Canadian, Montreal.	10,000.00	2,722.78
Scottish Commercial, Glasgow.....	10,000.00	2,722.78
British America, Toronto...	7,500.00	2,042.09
Insurance.....	\$125,000.00	
Payments		\$34,131.00

—*L'Argus* has done us the honor to translate into the purest Parisian French our serial compilation entitled, "The Romance of Life Insurance, its Trials, Tribulations and Tragedies."

—In the United States Circuit Court, on the 29th, the jury in the case of Isaac W. Lord vs. Goodall, Nelson & Perkins, returned a verdict for the defendant. This was an action to recover for goods lost by the wreck of steamer "Ventura." The allegations were carelessness and insufficiency of equipment, etc., on the part of the owners.

—This false statement is going the rounds:

The Missouri Commissioner has debarred the following companies from the further prosecution of business in that State: The Franklin, of Wheeling, West Virginia; the Old Dominion, of Richmond, Virginia; the Residence, of Cleveland, Ohio; the Homestead, of Watertown, New York; the Atlas, of Hartford, Connecticut; and the Missouri Valley Life, of Leavenworth, Kansas.

The truth is, as stated by the Commissioner himself, that the foregoing companies left the State of Missouri voluntarily.—*Baltimore Underwriter*.

—An abortive attempt was recently made to extract \$10,000 from the Travelers' Life Insurance Company of Hartford, by a fraudulent death claim. The principal in this enterprise was Frank Kyte, the Treasurer of Howard County, Iowa, who had a policy in that company for the amount above named. It was payable to his parents. The contrivance was neither ingenious nor original. Kyte and another man named Tryon, went in to swim, and the former disappeared beneath the water. After some excitement and search for the body, the catastrophe passed away from the public recollection. But in a little time a man resembling Kyte was seen in an adjacent town. He was "reckoned up" by the detectives and found to fill the bill. Kyte's cash accounts with the county proved to be short, and this circumstance probably induced him to take the desperate chances. Tryon, who reported the drowning, was an accomplice.

—*L'Argus* has been duly received. Again we have to thank it for much useful and interesting information, which we have transferred to our columns.

—J. H. Stedwell, late president of the insolvent New Jersey Mutual Life Insurance Company, is traveling in Europe. Who let him out?

—Allan James Simpson, of the village of Arnprior, Canada, fired his dwelling as an insurance speculation. Twenty-four other dwellings were destroyed in consequence. Becoming alarmed, he fled to New York. He has been arrested there, and returned to Canada.

—Reec's Automatic Fire-Extinguisher was tested in the new City Hall lot on the afternoon of the 23d August. The invention is intended for inflammable material on which water would have no effect. It is operated only on the inside of houses. The experiment is said to have been successful.

—The certificate of the Atlas Fire Insurance Co., of Hartford, has been revoked by the New York Superintendent. The capital is seriously impaired, but a new Board of Directors has been elected, and a vigorous effort will be made to restore the company to a sound condition.—*Insurance Times*.

—N. D. Morgan, formerly president of the North America Life Insurance Company, is getting it "hot and heavy" from the paragraphers of the insurance press. The following scrap of morality from the pen of that Pecksniffian gentleman, is going the rounds of the insurance journals: "Life insurance is a theme that should be approached and handled reverently and discreetly, and I would add with the fear of God, for it is little less than holy ground; hence, carelessness and ignorance, empiricism and charlatanry should be excluded from its high places." It is interesting to note that for the exclusion of those qualities from the presidency of the North America, Mr. Morgan was paid about \$250,000. He had previously, it is said, brought the company to bankruptcy by gross mismanagement.

—The further hearing in the case of the Universal Life has been adjourned until the 3d inst.

—Octavia Dutra, of Monterey, is "one more unfortunate," gone to death from the effects of kindling fire with coal oil.

—The wreck of the Pacific Mail Steamer *City of San Francisco*, has been examined by divers, who report that she cannot be raised.

—Mr. Charlton Lewis, Secretary of the Chamber of Life Insurance, has restored the fees which he received for negotiating the contracts in the Charter Oak Wiggins & Furber matter.

—Farmers along the upper and lower Stockton ranches employing Chinamen have received notice to discharge them. The notices were as follows: "Mr. — you may discharge your Chinamen within four days, or you will see trouble."

—Vanderbilt is urged to establish a life insurance system among his men. On the Central Railroad, of New York, alone, he has 12,000 employees. The workmen of the Hartford Division, of the New York, New Haven and Hartford road, have an insurance company on the assessment plan.

—Martin Bellinghausen, formerly a soldier, has been swindling the North Western Life Insurance Company and the United States government. The former paid a policy of insurance, and the latter a pension, to a woman who passed for his widow. He now turns up, and has been arrested by the Government.

—The invasion, riot and civil commotion clause of some policies reads as follows: "Nor for loss or damage by fire happening during the existence of any invasion, * * riot, civil commotion * * within the county or locality, etc., etc." The onus is thrown on policy-holders to show that the fire was not caused by such invasion, riot, etc., etc. The *Insurance Times*, from which we took the language of the form, says that insurance questions of great legal nicety will grow out of the late riots.

—A New York law, which went into operation on the 8th of August, requires all insurance companies in their advertisements, policies, and other documents, to distinguish between paid-up capital and capital merely authorized or subscribed.

—It is reported that mutual insurance companies, against the risks of bombardment, are in active operation at Odessa and other Russian ports of the Black Sea. The regular insurance companies having declined to run the risks of fire caused by the bombardment of cities by the Turks, the proprietors of buildings, etc., have formed a society for mutual insurance against all damage caused by the Turkish projectiles. The average rate is only one per cent. Either the Turkish artillery is very ineffective, or the company will burst up.

—The report of the New Jersey Commissioner on the affairs of the New Jersey Mutual, contains the following:

Developments made subsequent to the date of my special report on the examination of this company, have fully justified and sustained the action to wind it up, and disclosed a degree of corruption and crime in connection with its management that has rarely been paralleled. For years the annual statements of the company have been deliberately falsified; worthless and fraudulent securities reported and exhibited, and the moneys which they represented appropriated by those in control to their own use. Fictitious balances in bank had been created just at the close of December, and extinguished at the very beginning of January. Stocks and bonds, and bonds and mortgages had been reported as owned to which the company had no claim; and mortgages, in a single instance to the amount of \$94,000, reported and exhibited, which not only had no value whatever, but were created and carried by the company as a cover for valuable assets abstracted and misappropriated. Securities which had value were hypothecated to secure loans, the securities being reported as in possession of the company, and no record or report made of the liability for the loan. Fraud was the rule; honesty the exception.

—The Protection Life Insurance Company, of Chicago, is in the hands of E. D. Cook, receiver.

—The insolvent Eclectic Life Insurance Company will probably pay a dividend of 12 per cent.

—McKay and Somers, who were apprehended last month in Oakland for an attempt to burn the vacant dwelling-house on Seventh Street, have been held to appear before the Grand Jury.

—George Augustus Sala, the editor of *Temple Bar*, and the author of "A Journey due North," and other brilliant contributions to the periodical literature of the day, was, it is said, formerly an insurance journalist.

—New York fires for July were 134. Loss on buildings, \$12,775; contents, \$26,345. Total, \$39,320. The insurance on buildings was \$203,280, and on contents, \$174,750. Total insurance, \$378,030. The uninsured loss was, on buildings, \$445; on contents, \$1,840. Total uninsured loss, \$2,285.

—THE PRODIGAL'S RETURN. —Hawes, general agent of the Connecticut, being sick of the swine-husks furnished by the Oakland school-houses at \$1.45 for three years, has returned to the paternal Board in search of more nutritious aliment. The calf is not yet fat enough for killing. It will be reserved for a general feast, to be given to all the truants as soon as they shall have returned.

—Some of the policy-holders in the insolvent Republic Life, of Chicago, express an intention of proceeding against the stockholders to recover for the general assets the sum of \$4,000,000, the difference between the subscribed and the paid up capital of that concern. Should the opinion of counsel be favorable to their prospects, we advise a combined action on the part of all the policy-holders. In 1873 the capital was reduced from \$5,000,000 to \$1,000,000, but it is contended that this reduction was illegal, the consent of the policy-holders not having been obtained thereto.

—A barn at Marysville, belonging to A. S. Smith, editor of the *Appeal*, was destroyed by incendiarism.

—Insurance Department reports from Missouri and Rhode Island have been received. They come too late for reviewal in this number.

—The Knickerbocker Casualty Insurance Company of New York brings a libel suit against the Metropolitan Plate-Glass Insurance Co. Damages are laid at \$10,000. The alleged libel consists of representations affecting the financial credit of the plaintiff.

—American life companies have received in premiums from Canadian policy-holders, since 1869, \$17,948,987. Last year they received \$1,497,612; Canadian companies, \$1,768,543; British companies, \$597,155. The Inspector of Insurance for Canada recommends the Government to undertake the business of life insurance until the Life Bill of last session goes into operation. This will take effect on April 1st next.

—From the *Chronicle's* trustworthy tables we take the following summary of fire losses and insurance in the United States and Canada, for the month of July last:

	July.	1877.	1876.
Aggregate losses.....	\$4,577,900	\$5,947,100	
" " to insurance			
companies.....	2,305,700	2,831,600	
" " by specials..	3,484,400	4,605,700	
" " to insurance			
companies by specials....	1,689,800	2,000,000	
Number of fires.....	739	903	
Number of specials burned	330	434	

—The public will, after awhile, be pretty well posted about details of the fire which, some months ago, was discovered in the house of Simon Walter, in West Oakland. First, there was the preliminary examination in the Police Court. Second, the trial and conviction of Mrs. Walter of arson. Third, the trial of Simon Walter and his daughter, Sophie Strymmel. The jury disagreed at this trial. Yesterday the Court was occupied in the second trial of father and daughter. The same evidence was adduced as that elicited on the former trials. The case was on trial until a late hour.—*Oakland Transcript*, Sept. 4.

—St. Louis is much excited over the investigations in the matter of the Columbia Life, which are going on in that city.

—The stockholders of the Alliance Fire Insurance Company, of Boston, have paid \$70,000 to repair its capital.

—The wife of the Rev. L. Cately, of Centerville, Fresno County, was lately burned to death by her clothes igniting from a stove.

—At Santa Rosa, a girl aged seven years was burned to death by the explosion of a can of coal oil with which she was endeavoring to kindle a fire.

—Policy-holders, in liquidating life insurance companies who have been induced on false representations to surrender their old policies in exchange for new ones, are advised to hunt up their evidence. Mr. Lawrence, the Receiver of the American Popular Life, has applied to the Court for the relief of this class of victims. The question will probably come up in settling the affairs of all the "wrecking" companies.

—The situation of the Atlantic Mutual is much the same as a month ago. But there is now little, if any, prospect that the deficiency in the company will be made good. Probably it will go into the hands of a receiver and be wound up.

Receiver O'Neill, of the Continental Life, is in possession of the estate of this company, and is converting the assets into cash as rapidly as is practicable. He promises to be ready with a report before the expiration of the ninety days which the law allows him.—*Spectator*.

—Receiver Parker, of the New Jersey Mutual, has brought suits against the stockholders who sold their stock to the directors of the Hope Life, and were paid for it with the funds of the New Jersey Mutual. The following are the defendants and the amounts claimed from them: William M. Force, President, \$20,000; Charles O. Lathrop, Vice-president, \$70,000; Thomas B. Peddie, \$10,000; George Peters, \$15,000; estate of D. M. Wilson, \$20,000; Jeremiah Councillor, \$10,000; James G. Barnet, \$10,000, and John H. Kase, \$7,000.—*Spectator*.

—An attempt was made, on the 24th of August, to burn the Deer Creek bridge, near Vina Station, on the California and Oregon Division of the Central Pacific Railroad. The incendiaries have been arrested.

—Alameda has two volunteer fire companies. They are in an effective state of discipline and properly provided with engines, hose, etc. The source of water supply is in artesian wells, which are ample for fire purposes. Fires are of rare occurrence in that favored locality.

—The Spring Valley Water Company will shortly erect two gigantic pumps and engines, which are now being fabricated for them at the Risdon Iron Works. This machinery is designed for forcing the water into the city from Lake Merced. The pumps will throw 5,000 gallons per minute. The capacity of each pump is from 3,500,000 to 4,000,000 gallons per day. The water has to be moved a distance of 16,600 feet, and the elevation to be surmounted is about 360 feet.

—The receivers of the insolvent life insurance companies are presumably at work at their duties with as much speed as is practicable, but results are slow of production.

Receiver Lawrence, of the American Popular, is taking steps to recover from stockholders the sums which have been illegally paid to them as dividends, and some of the stockholders have expressed a willingness to compromise. The Court has authorized the receiver to compromise. He reports through newspaper interviewers, that he finds evidence of fraud of the most appalling kind in the management of the company, and probably the details of his formal report will be shocking.

Receiver Wickham, of the Security, will be ready to pay a dividend in September as soon as the courts decide whether there are preferred creditors.

Receiver Pearson, of the North America and numerous other companies, has not yet told the public or the courts anything about what he finds except by his suit against the Universal and others in behalf of the Guardian.—*Spectator*.

—The Equitable Life Insurance Company has established a general agency in Holland.

—The State Savings Bank of Chicago has failed. Liabilities, \$2,988,339; nominal assets, \$2,724,699. It is supposed that the deficiency will be about one million.

—The report of Horatio M. Jones, the referee in the suit of the Insurance Department of Missouri *vs.* the Columbia Life Insurance Company, has been received.

—In Albany, whenever a member of the Legislature has a note coming due, he introduces an "Act to Regulate Fire and Life Insurance Companies," and doesn't renew the note.—*Philadelphia Underwriter.*

—The *Chronicle* (insurance) of New York will please receive our *amende*. In our August number, page 282, we copied from that journal a few sprightly paragraphs concerning "Wreckers of Life Insurance Companies, etc.," but accidentally we failed to make the necessary acknowledgment. We take this opportunity of thanking the *Chronicle* for valuable assistance received from its columns.

—Brig J. B. Ford, from San Francisco July 5th, for Mazatlan and San Blas, went ashore 25th of July, in the inner harbor of Mazatlan, during a blow. Subsequently got off leaking, and all the cargo landed without loss. The captain chartered a schooner, took on board the San Blas freight and sailed for that port, leaving the brig in charge of the mate and a son of the owner.

It was subsequently reported that the brig was examined by a diver, found badly damaged and condemned and sold for \$2,000.

This was very unsatisfactory to the underwriters, who, after consulting the owner, telegraphed to Mazatlan to stop all proceedings and await the arrival of their representative, W. G. Gibbs.

Mr. Gibbs left here 28th ultimo, on the Newbern, and will probably reach Mazatlan about September 10th.

Insured in Commercial, \$3,000; State Investment, \$3,000.

—The City of Peking, on the 30th of August, brought 192 Chinese.

—Another Bakersfield incendiarism is the case of Pat Hogan, who has been arrested for setting fire to C. Miller's bakery.

—Women are going into the insurance business. And when a comely woman enters a man's office, hitches up her chair, places a fair hand on his arm, and begins to talk about policies, he feels as if his life ought to be insured pretty soon. And this feeling is greatly augmented should his wife drop in unexpectedly during the interview.—*Greenfield Transcript.*

—Last Friday noon, while the men were at dinner, Joseph Kelly's eight-horse power threshing machine, three wagons and a house were destroyed by fire out in Sierra Valley. The machine and wagons had been placed in the house to be in the shade while the men ate dinner. The next sight at the building found it in flames, and so enveloped that nothing could be rescued. The loss is between \$1,200 and \$1,400. The fire is supposed to have caught accidentally from a spark. The loss of the threshing machine at this time is provoking, as it was being run to its full capacity, to fill large contracts.—*Nevada State Journal, Aug. 15.*

—The *Chronicle's* last cartoon, "A tempest in a tea-pot, or the old lady at sea," is one of the good-natured hits for which that journal is remarkable. In the distance is what is supposed to be a fort, and it is surmounted by a banner bearing the inscription of "Home. Assets, \$6,000,000." Advancing, or attempting to advance, over a tempestuous sea, towards this tower of defiance, is a cockle-shell craft with a teakettle near the bow, marked "Monitor." An old lady, bearded, and of a physiognomy which we hope, for the credit of the "human face divine," is simply an ideal of the artist, and not a representation of any one in real life, is on the deck of the vessel, blowing the fire apparatus of the teakettle by means of a bellows marked "G. C. H." The make-up of the old lady, and her petticoats floating on the wind, are contrived to make the figure irresistibly comic.

—A generation is about $33\frac{1}{2}$ years, which is nearly the average duration of human life.

—Forty-nine vessels were built on the Pacific Coast in 1876. Tonnage, 8,026.

—Mr. Edward Brown, of the firm of Brown & Desmond, has returned from a visit to the Eastern States.

—The shipments of treasure from San Francisco for August amount to \$5,390,345. Since January 1st they have been \$39,313,500.

—Ed. Le Perle, the fireman who had his leg broken at the City Hall fire in Oakland, is receiving \$50 per month from the Council of that city.

—The New York *World* puts the population of Pittsburg at 140,000, and the assessed valuation of all the property in that city at \$172,000,000. The reparations to be made for the damage done therein by the rioters will amount to \$4,500,000, equivalent to a fine on the population of \$32.15 for every man, woman and child thereof.

—The electric candle is a German invention. The basis of the light is electricity, generated by a steam engine. The power of illumination is to that of an ordinary candle as 400 to one. One peculiarity is the absence of heat. On this account it would be preferable to gas for lighting theaters, churches and other places of public assembly.

—An incendiary apparatus was found on a gentleman's porch in Nevada City. It was made of heavy brown paper thoroughly saturated with kerosene, and over all was a covering of tissue paper. Lighted matches had been laid to it, but they had burnt out before igniting the paper. The contrivance is not remarkable for ingenuity.

—“Fires, their Causes, Prevention and Extinction,” is the title of a very handy little volume which lies on our desk. It is a complete guide to insurance agents in regard to all the technicalities of their profession, and it is also interesting to property-owners in general. The book is published for the Continental Fire Insurance Company, of New York, and may be purchased from Mr. Chas. J. Van Tassel, 310 California Street, San Francisco.

—Money at the Bank of England can be had at three per cent. per annum.

—The Victoria Water Company has filed articles of incorporation. Capital, \$100,000. Its object is to conduct water from Wildcat Creek to San Pablo, Berkeley and Oakland.

—Chief of Police Ellis reports 21,787 arrests for the past year, against 20,108 in 1875--76, 16,820 in 1874-75, and 13,007 in 1873--74. There were thirty-six murder cases, 7,415 drunks, and 1,416 cases of obscene language. The average is 141 arrests to each police officer, which is said to be higher than in any other city in the world. The value of property stolen was \$156,336.50, of which \$82,507.50 was recovered.

—The Charter Oak Life Insurance Company have negotiated a loan of \$100,000 with the Connecticut Mutual Life Insurance Company, pledging as security certain Western mortgages on property located in the cities of Cincinnati, St. Louis, Chicago and Toledo. In order to determine the value of the real estate mortgaged, the Connecticut Mutual Company has had an appraisal made of every piece, and in making the loan will advance not to exceed fifty per cent. of the appraisal, and not exceeding seventy-five per cent. of the amount of notes secured by the mortgages. The Charter Oak Company expects to be able, in a short time, to meet all its maturing claims without pledging any of its securities, so that, it is hoped, there will be no necessity for borrowing. Many payments of interest have had to be made within the past three months, some of which, in connection with other matters, necessitated the loan of \$200,000 in July from the *Ætna* Life Company, and these payments have taken a considerable amount above the current income, which has, of course, fallen off by reason of the legal proceedings and other troubles of the company. Now, however, that the new managers have re-established public confidence to a large extent, and are determined to conduct the company honorably, it will not be long, probably, before there will be a relief from existing embarrassments.—*Hartford Courant*.

—Early in last month an attempt was made to burn the residence of William T. Coleman, President of the Committee of Safety.

—The Spring Valley Water Company has declined the offer of the City of San Francisco for the purchase of the property of that corporation. The price offered was \$9,500,000. Mr. Howard, the President of the Company, suggests that the water commissioners should appoint an expert to examine the works and other property, with a view to further negotiations.

—The New York correspondent of the Chicago *Tribune* says: That Matthews mortgage sold to Furber for the Charter Oak brings to mind that there are parties, reputably connected, too, in this city, always ready to trade in city mortgages. They are on the lookout for needy institutions, which require to make a show of large assets, and have only small amounts of ready cash. A few weeks ago a gentleman of this city conceived the idea of starting a new insurance company. He was honest enough to state to his friends that his object was to make a fat office for himself. In a few days he had obtained subscriptions for \$50,000 out of \$200,000 required. At that point he fell in with a Broadway mortgage-trader, who made him this proposal: To furnish him with good mortgages upon New York City property, which should be guaranteed to pass muster by the Insurance Department, in the sum of \$200,000, for a cash payment of \$100,000. The only unusual stipulation about the proposal was that the mortgage should bear but five per cent. interest. The proposal was not accepted, but as an inducement the seller informed the hoped-for purchaser that there were numerous precedents for such trading, and assured him that the business was legitimate. A well-known lawyer recently told a client that buying mortgages at two-thirds their face value is a common occurrence in this city, and yet such mortgages have been declared void for usury. If the truth was known it would be found many mortgages held by corporations in this city have been obtained on such terms.

—The Receiver of the Columbia Life Insurance Company, of St. Louis, is L. E. Alexander, formerly cashier of the Mercantile Bank.

—Anti-Chinese incendiarism is again on the rampage. On the 4th September a barn at Walnut Grove, Sacramento County, was set on fire under the supposition that it belonged to Chinamen. The owners are Charles Forbes and John Norris, proprietors of the Sacramento and Walnut Grove stage line.

—Mr. George Woodward, State Agent of Phoenix Insurance Company of Hartford, for Oregon and Washington Territory, passed through San Francisco August 22d, en route East. We commend this gentleman to the fraternity on the other side as a courteous and first-class insurance man—every inch of him. We wish Mr. Woodward a safe and pleasant journey to and from the old hearthstone in Vermont.

—The receiver of the late Republic Life Ins. Co., of Chicago, on the 21st inst. opened the bids for the shares of the capital stock of the National Life Ins. Co. of U. S. A., which are part of the assets of the Republic Life Co. Objection was made to the sale, but the Court decided to receive them. The bids were as follows: Greenleaf, Norris & Co., New York, \$20 per share—for the whole stock of 10,000 shares, \$200,000; William Louis Smith, \$21 per share for the entire stock; George C. Clarke, Chicago, \$26 per share for 5,200 shares, and \$20 for the remainder. The Court held the case to be a very complicated one, and decided to not make any award at present. Notice was given that a petition would be filed on the 24th inst., asking for the setting aside of the order of sale, and making the National Life Co. defendant in the suits against the Republic.

The sale does not in the least affect the standing or solvency of the National Life.—*Chronicle Insurance, N. Y.*

The rise or fall of the mercury in the thermometer does not intensify our sensation of heat or cold, but it denotes the temperature.

ED. COAST REVIEW.

—New York Fire Insurance stocks are thus quoted by the *Investigator*:

Date of Organization.	Comp'y.	Net Book Value, July 1, 1877.	Last Sales.
1858	Adriatic.....	\$120 18	74
1871	Ætna.....	125 00	99
1857	American.....	168 79	150
1873	Amity.....	102 62	80
1853	Arctic.....	101 00	64
1859	American Exchange.....	135 60	110
1871	Atlantic.....	143 00	110
1871	Brewers & Malsters.....	115 00	90
1833	Bowery.....	240 00	205½
1849	Broadway.....	254 25	217
1824	Brooklyn.....	261 01	210
1836	Citizens.....	260 46	100
1833	City.....	188 00	161
1850	Clinton.....	106 00	153½
1853	Columbia.....	107 00	75
1850	Commercial.....	180 16	153
1853	Continental.....	190 20	140
1859	Commerce.....	101 00	80
1836	Eagle.....	275 00	216
1850	Empire City.....	153 00	125
1873	Emporium.....	100 50	93
1853	Exchange.....	166 57	122
1872	Farragut.....	181 50	138
1825	Firemen's.....	151 81	120½
1858	Firemen's Fund.....	110 00	68½
1859	Firemen's Trust.....	167 75	117½
1876	Franklin.....	100 02	100
1857	Gebhard.....	95 38	65
1834	Greenwich.....	261 00	307
1859	Germania.....	230 00	180
1872	German American.....	164 66	110
1863	Globe.....	168 32	133
1875	Guaranty.....	95 00	70
1865	Guardian.....	125 75	93
1862	Hamilt. n.....	194 30	155
1852	Hanover.....	201 87	130
1864	Hoffman.....	175 00	98
1853	Home.....	134 00	105
1856	Hope.....	125 00	80
1825	Howard.....	136 00	115
1859	Importers and Traders.....	158 00	107
1872	Irving.....	127 50	93
1824	Jefferson.....	150 00	146
1787	Knickerbocker.....	123 43	106
1858	King's County.....	230 00	172½
1856	La Fayette.....	204 00	156
1872	Lamar.....	157 50	108
1853	Lenox.....	150 00	100
1833	Long Island.....	.....	170½
1871	Lorillard.....	134 50	96
1872	Manhattan.....	222 00	140
1870	Manufacturers & Builders.....	201 83	140
1857	Mechanics'.....	221 39	170
1853	Mechanics and Traders.....	250 00	101½
1852	Mercantile.....	130 63	92
1850	Merchants'.....	194 76	170
1857	Montauk.....	161 50	145
1852	Nassau.....	214 75	190

1838	National.....	162 00	120
1823	New York Equitable.....	250 00	192
	New York.....	194 00	160
1872	New York City.....	111 00	90
1876	New York and Boston.....	100 00	80
1850	Niagara.....	108 00	110
1822	North River.....	138 50	130
1851	Pacific.....	309 71	252
1853	Park.....	160 00	132½
1851	People's.....	187 50	160½
1853	Peter Cooper.....	243 00	190
1874	Produce Exchange.....	106 65	87½
1853	Phoenix.....	186 93	160
1855	Relief.....	140 00	93
1852	Republic.....	122 50	87½
1857	Resolute.....	101 00	70
1873	Ridgewood.....	145 00	110
1853	Rutgers.....	208 72	175
1872	Safeguard.....	105 50	125
1859	Star.....	177 42	131
1864	St. Nicholas.....	129 78	90
1851	Stuyvesant.....	180 00	159
1852	Standard.....	184 23	125
1864	Sterling.....	146 03	95
1858	Tradesmen's.....	220 00	164
1824	United States.....	200 00	157
1853	Williamsburg City.....	272 65	200
1837	Westchester.....	172 00	111
	Metrop'lit'n Plate Glass.....	115 00	106

—Chicago has contributed \$12,651 for the relief of the sufferers by the St. John's fire.

—The bullion product of California, Nevada, Utah and Arizona for the month of July was \$3,954,900.

—An action was tried recently in the Harlom Court, where the Home Insurance Company, of this city, sued William J. Byrne, a harness-maker, of Carmansville, for \$15, being the amount due as premium on a policy of insurance against loss by fire. It appeared that Byrne had taken the policy several months before, but neglected to pay the premium, and when he found that the company was about to sue him, he made an effort to surrender the policy, on the ground that no money having been paid, the policy was void. The Judge, however, taking another view of the relation of the parties to the contract, said that the policy was binding on both sides, and gave judgment for the company for the full amount claimed, with costs. This decision should warn those who seek security against loss by fire that the contract is completed when the policy is ordered and executed, whether the premium be paid promptly or not.—*Insurance and Real Estate Journal*.

—The capital stock of the National Life Insurance Company of the United States, viz.: 10,000 shares, of the par value of \$100, is being offered for sale by Receiver Ward, of the Republic Life. This stock constitutes almost entirely the assets of the insolvent Republic.

—Pending the investigation into the actual condition of the Universal Life Insurance Company, premiums are to be deposited in the United States Trust Company, to be returned in case the court finally orders the dissolution of the Company.—*American Exchange and Review.*

—The Charter Oak Life Insurance Company has resumed the payment of claims for losses by death. The first order for such payment was signed by President Jewell on Monday afternoon. Losses will be paid regularly hereafter as they become due, the claims being settled ninety days after proof of death.—*N. Y. Weekly Mail.*

—The *Insurance World* estimates the direct loss by the riots at Pittsburgh at about \$6,750,000. The indirect loss will greatly increase that sum. Not a pleasant outlook for the tax-payers.

—The Atlantic Mutual Life Insurance Company is to go into receivership. Judge Westbrook, of the Supreme Court of New York, has so decided. An appeal from this decision is talked of.

—J. P. Rodgers, the late secretary of the notorious Continental Life Insurance Company, is said to be in Belgium.

\$777 is not easily earned in these times, but it can be made in three months by any one of either sex, in any part of the country who is willing to work steadily at the employment we furnish. \$66 per week in your own town. You need not be away from home over night. You can give your whole time to the work, or only your spare moments. We have agents who are making over \$20 per day. All who engage at once can make money fast. At the present time money cannot be made so easily and rapidly at any other business. It costs nothing to try the business. Terms and \$5 outfit free. Address at once, H. HALLITT & Co., Portland, Maine.

ESTABLISHED

A. D. 1821.

GUARDIAN ASSURANCE COMPANY OF LONDON.

Capital paid up.....	\$5,000,000 Gold
Total Cash Assets, (including life accumulations).....	\$14,291,620 Gold
Cash Assets especially available for Fire Losses.....	\$6,738,100 Gold

Fire risks written on approved property in California, Oregon and Nevada.

BRITISH & FOREIGN MARINE INS. CO. Limited, OF LIVERPOOL.

Capital subscribed.....	\$5,000,000 Gold
Capital paid up.....	\$1,000,000 Gold
Reserve Fund, exclusive of Capital.....	\$756,740 Gold

BALFOUR, GUTHRIE & CO.
GENERAL AGENTS,
230 CALIFORNIA STREET, Near Battery, S. F.

JANUARY 1st, 1877.

ABSTRACT of the Fourteenth Annual Statement

OF THE

Fireman's Fund Insurance Co.

OF CALIFORNIA.

ASSETS:

Cash in Company's Principal Office.....	\$ 4,649.05
do Bank of California, S. F.....	9,266.86
do do Sather & Co., S. F.....	5,862.91
do Union National Bank, Chicago.....	14,940.00
do Franklin Bank, Cincinnati.....	6,750.00
do Bank Laddlaw & Co., New York.....	1,125.00
United States Registered Bonds.....	128,400.00
Bonds of the State of South Carolina.....	3,350.00
Stocks—Bank of California, 25 Shares.....	22,500.00
do First National Gold Bank, S. F., 133 Shares.....	13,300.00
Real Estate, S. W. Cor. California and Sansome Streets.....	225,000.00
Loans on Bonds and Mortgage, First Liens.....	182,564.31
do secured by Collaterals.....	45,000.00
Interest and Rents due and accrued.....	1,767.59
Premiums in due course of collection.....	26,581.47
Department Balances in Course of Transmission.....	18,556.80
Bills Receivable, taken from Marine Risks.....	21,410.80
Taxes advanced on Real Estate, secured by terms of original Mortgages.....	2,597.45

GROSS ASSETS, GOLD..... \$703,621.84

LIABILITIES:

Losses reported and in process of adjustment.....	\$35,465.95
Marine Bills Payable.....	1,266.90
Dividends uncalled for.....	1,242.49
Individual Accounts.....	463.82
TOTAL.....	\$38,439.16

RE-INSURANCE RESERVE:

Fire.....	\$208,592.62
Marine.....	31,467.12

RECAPITULATION:

Capital Stock, fully paid up.....	\$300,000.00
Reserve for Re-Insurance Fund.....	240,059.74
do for Unsettled Losses, Etc.....	38,439.16
Net Surplus, over all Liabilities, including Capital Stock.....	128,122.94
TOTAL.....	\$703,621.84

COMPARATIVE:

Net Surplus, December 31st, 1876.....	\$125,122.94
Net Surplus, December 31st, 1875.....	40,800.15

NET GAIN..... \$75,322.79

INCOME OF 1876:

Net Premiums received in Cash.....	\$510,232.13
Interest.....	25,277.71
Rents.....	22,334.50
Other Sources.....	180.00

TOTAL CASH INCOME..... \$558,033.34

Total Losses Paid since Organization..... \$3,089,515.03

HOME OFFICE, 401 CALIFORNIA ST., SAN FRANCISCO.

D. J. STAPLES, President.

GEO. D. DORNIN, Secretary.

ALPHEUS BULL, Vice-Pres.

WM. J. DUTTON, Ass't Secretary.

GENERAL DEPARTMENT:

THOMAS S. CHARD, Manager, Cor. Lake and LaSalle Sts., Chicago.

COAST REVIEW.

A MONTHLY JOURNAL, DEVOTED TO FIRE, MARINE AND LIFE
INSURANCE.

J. G. EDWARDS, Editor and Proprietor,

320 California St., San Francisco, Cal.

VOL. 12.

OCT., 1877.

NO. 7.

Unauthorized Insurance Companies—Their Rights and Liabilities in the States which Exclude Them.

The following decision of the U. S. Circuit Court of Indiana is of much importance to agents of applicants for insurance in companies that are unauthorized to do business in this State, and more so to the applicants themselves. It is copied from the *Insurance Monitor* for September.

Judge Drummond, of the U. S. Circuit Court of Indiana, has rendered a decision of great interest to companies and agents, discriminating the conditions under which an insurance contract is and is not avoided by laws prohibiting unauthorized insurance. The case, *Bowser vs. Lamb*, assignee, appears in the *May Insurance Law Journal*. The suit was brought by the assignee of an unauthorized company of another State to recover on a premium note. The statute provided that contracts made by unauthorized agents should not be enforced by the companies in the courts of the State. In this case the agent received the note and a proposition for insurance, which he forwarded to the company. The company accepted the proposition and issued the policy, which it forwarded to the insured by mail.

It was admitted that the agent had violated the law and was liable, but the question was whether the contract was made by the agent within the meaning of the statute.

The court reviewed the various decisions that had been previously rendered on this point, and insisted upon the distinction that must be made between a contract made by an agent having authority to contract, and one made by the company in consequence of an application secured through a mere soliciting agent. The alleged offense was under the Indiana law of 1862, which provided simply that foreign corporations should not enforce contracts made by their agents. The fact that the agent procured and forwarded the application did not make him the party with whom the contract was made. The law might have prohibited all contracts with such companies in which an agent had any part, and in such case it would be the duty of the court to enforce it. But the court will not infer from the prohibition regarding the agent, that it must include the company. In the case of *Rising Sun Insurance Company vs. Slaughter*, the Indiana Supreme Court held that a policy made with the agent of a foreign company was void, and therefore was not such other insurance as avoided the policy in suit. In *insurance Company vs. Robinson*, where a proposition was forwarded to the company in response to which a letter was sent to the agent accepting the risk, who thereupon made a parol contract with insured, the same court held this contract to be good, but that a policy subsequently issued in accordance with it was invalid. The case of *Union*

Central Life vs. Thomas, the latest decision by the Indiana Supreme Court, and it was here held that under the law of 1865, the prohibition was extended to companies as well as agents.

Such is the scope of the Indiana decisions. In regard to those of other States, Judge Drummond declares: "I have not found that any State has gone further than Indiana in its construction of the law excluding corporations from its limits." The whole tenor of the argument is to the effect that unless explicitly and not merely inferentially declared illegal, the courts will enforce the contract against the company, and where, as in this case, a premium note has been given, will, by a parity of reasoning, permit the company to enforce its collection. But the agent will nevertheless be liable to the penalty for procuring unauthorized insurance.

Manager Magill's Correspondent in Germany.

In these days of gloomy experiences and still more gloomy prognostications, an infusion of facetiousness into the dry details of business is a public benefaction. For the following specimen, we are indebted to a correspondent of the "Occasional," which, it seems, is a little paper published by Mr. H. M. Magill, the manager of the Western Department of the Phoenix Insurance Co. We have not the *Occasional* at hand, but reproduce the letter from the *Insurance Monitor*.

GOSLOH, GERMANY, Nov. 24, 1876.

Editor of the *Occasional*:

Celum non animus mutat qui trans mare, etc., etc., or in plain English, there are insurance companies and insurance men in this country, too. True, you wouldn't recognize them at the first glance, any more than you would take a green emigrant for a Yankee peddler; but, however men may differ externally, human nature is pretty much the same all over the world, you know. There are insurance men here with a large share of the necessary brains, principle and industry, who have worked up their companies till their assets number millions, stock stands at over 500 per cent. premium,

and dividends amount to 50 per cent. per annum. There are others with brains and principle, but without industry, whose companies just contrive to make an honest living and no more. And lastly, there are two great classes, the knaves and the fools, the one without principle and the other without brains, who both do their best to make the insurance business disreputable.

The other day a friend of mine had a window-curtain burned, through carelessness with a candle; he was insured and got his pay from the company, about two dollars and a half, I believe. Next time I met the agent, I made some complimentary remark about prompt settlement. "I know you are joking," said he; "your friend was entitled to the money, and he got it; we don't deserve any thanks. When I was with the Humbug Insurance Company as a young man, we did not figure so close, and paid many a loss only for glory. Old Stickin-mutt was president, a lot of his old foggy friends were directors, Sharpasteel, the secretary, had them all in his pocket, and ran the concern just as he pleased. We paid five hundred guildens once for three pair of window-curtains, of which only one pair was damaged a little. We couldn't get the stuff to match, so the claimant had to have three new curtains. Next time I called on Sharpasteel's brother-in-law, who lives in Tinkerdam, I noticed the two old curtains in his parlor. They looked good as new—don't know what he paid for them. Another time old Blublazes was boiling his own coffee over a spirit lamp; he didn't fill up his lamp before lighting it, and undertook to do so afterward. He had been drunk the night before, his hand was shaky, and he spilled the spirit over the tablecloth, an old woolen thing that he had inherited from his parents, and burned a hole in it. You ought to have heard him lament over the loss of this precious heirloom. No money could pay him for it, and he growled like the mischief when the Humbug Company allowed him only about double the value of a handsome, new table-cloth. When Sharpasteel skedaddled to America, a couple of couple of years afterward, it turned out that he owed old Blublazes a couple o

thousand guildens, borrowed money. How the old skinflint did swear. Sharpasteel used to take his beer at the Cafe Spielemout. One night a fellow dropped a lighted cigar on one of Spielemout's billiard-tables. The cloth was old and patched, but it wasn't fire-proof; when the fellow picked up his cigar again, it left a hole about the size of a quarter. Spielemout went for the Humbug for damages, and I don't know what hold he had on Sharpasteel, but he got about fifty guildens, enough to pay for a brand new cloth. Another cigar case was when Judge Von Blunderbohr got up from his chair to reach for a book from the shelf just over his desk. He must have gone to sleep about it, for all at once he felt something warm in his pocket. It was a cigar that he had laid on the edge of his desk, and that had burned a hole through his pantaloons. Sharpasteel's position was becoming a little shaky by this time, so he got on the right side of the edge by allowing his claim for a new pair of pants. I don't want you to suppose that Stickinmett and the directors approved all these settlements, but Sharpasteel could talk them all blind; policy was his argument all the time. Moreover, he managed to make splendid semi-annual statements, and declare good dividends every time—there is no state supervision here you know. Well, one day we got notice of a tremendous fire at Skihigh, and Sharpasteel started to look after our interests. I say started, for he never got there. Of course, we didn't find out he was missing until two or three days afterward, and by the time irregularities enough had leaked out to make us set the police after him—his track was lost. Not one of his acquaintances but had cause to mourn over his departure, the Humbug Company most of all. They found a big hole in their assets, and it came near bursting them; they still live, but in a very small way. The other day young Stickinmett returned from America, and brought the news that he had met Sharpasteel at the Philadelphia Exhibition. He had changed his name, was looking well, and was connected with an American insurance company. Hope he has reformed."

Of course, I replied that, if there was no

mistake about what he had told me, Sharpasteel must have changed his nature as well as his name before he could obtain a situation in America, for all our insurance companies were respectable concerns, and would employ only the highest toned men. But I couldn't come it over him; German insurance men are men of the world too; he smiled, winked his eye at me, wished me good morning, good appetite for dinner, much pleasure in general, and all the other compliments that well bred people are expected to exchange when they take leave of each other in this country; both raised our hats, bowed, scraped, and I came home to tell my friends, the readers of the *Occasional*, all about it, and to insure in the PHOENIX.

H. B.

Reserve Deposit System.

[From the Western Insurance Review.]

How the reserves on insurance policies shall be kept safe for the benefit of the insured, is a matter of solicitude among honest managers, who feel the sacredness of the responsibilities they have assumed, and that the compensation they receive for services rendered places them under inviolable obligations to see that these reserves do not fall into dishonest hands.

Past experience has created the impression in many minds that stronger safeguards must be placed around these funds than have been heretofore. What these shall be, some have ventured to suggest. The latest we have seen is in the last Insurance Report of Kansas, by Superintendent O. T. Welch.

We believe his views will be clearly presented to the mind of the reader in the brief quotations we give from his last report. In speaking of the security of national banks, he says: "The deposit adopted by the National Government has succeeded so well that solvent banks pay a premium for the circulating notes of national banks which have failed, and it is clear that nothing short of deposits by insurance companies in public vaults to the full extent of the policyholders' interest will ever place such interests, now in the hands of such companies

beyond the reach of dishonest and bad management. * * Supervision of insurance, which does not require the interest of the policy-holders to be deposited in public depositories, can not be more effectual than a vault without a lock. It does not guard against speculative officers investing the companies' funds in wild speculations for private gain, or thievish ones from stealing them."

"If the nature of the insurance business, which is national in its magnitude and extent, shows it to be impracticable to establish state depositories for the policyholders' interest in insurance companies, the United States, which has been so successful in protecting a lesser interest of its citizens, should cause such barriers as now prevent, if there are any, to be removed, and assume a duty to its subjects, and provide by law a safe deposit for the assets representing this interest, if not for assuming full supervision of the insurance business."

If what is here suggested could be put into practice, making either the States or the General Government responsible for the safe keeping of these interests, they would be amply secured. And all the objections that may be offered against adopting this method of securing the proper use of reserves may be as futile as all the reasons offered to show that Robert Fulton's steamboat could not be made to float on the Hudson River, before the experiment had been made.

We acknowledge the strength of the safeguards proposed by Mr. Welch, and would like to have reserves placed in vaults as strong as the General Government itself. But we cannot see how this is to be done. In the first place the life companies who have always managed their business honestly and safely, and who feel that they have been selected by their policy-holders to take care of the interests entrusted to them, will oppose all legislation intended to take reserves out of their hands, and place them in the custody of other parties. They will not listen to the question of superior safety. They will ignore the existence of any better safeguards than themselves.

The weight of opposition from such companies will be sufficient to render the adoption of the deposit system exceedingly difficult, if not impossible. And we could hardly blame them for pursuing this course. Again, opposition to the system would come from that class of companies whose managers are on the outlook for chances to appropriate to their own use as much of the reserves as possible, without being detected in their crimes. And this opposition itself might be strong enough in this corrupt age to prevent any legislation that would place these funds entirely out of their reach.

But the deposit system is a form of centralization of power, to which the public is decidedly opposed. But suppose all these objections are removed, and the system is to be adopted. If the deposits are to be made with the States, the effect will be to scatter over the country these reserves, which would be an exceedingly unfavorable condition in which to place the funds of any institution, however secure it might make them. Each company would have its reserves divided into as many parts as the number of States in which it transacted business, while the policy-holders who might remove from one State to another would have their reserves divided among as many different States as they had resided in.

If such arrangements did not cause serious trouble, we are greatly mistaken about the whole subject. It would largely increase the complication of the machinery that now runs the business, and increased complication always involves the loss of effective power. If the deposit could be made with the General Government, the machinery might be less complicated than if made with the States. But how is the General Government to exercise even a limited control over the business of State corporations? If such corporations are not citizens of the United States, as the Supreme Court of the United States has declared, what official recognition can it have of these corporations? The decision of this Court in the case of *S. B. Paul v. the State of Virginia* seems to prohibit entirely the General Government from tak-

ing any part in controlling life companies, or in managing their business.

Such are our views in regard to the suggestion made by Mr. Welch. But we should like to see the other side of the question discussed by those who feel an interest in the matter. The safe keeping of reserve funds is a subject of such vast importance that we can well afford to have a full hearing in regard to any plan that may be proposed to prevent these funds from falling into the hands of dishonest management.

Who speaks next?

The Man Who Didn't Understand It.

The following epistolary *jeu d'esprit* we copy from the columns of our lively and intelligent contemporary, the *Insurance Advocate*, of Richmond, Va. The journal states, however, that the reply to the letter was so satisfactory that the perplexities of the policy-holder were completely dissipated, and that he decided on keeping up his insurance:

NEW YORK, May 31, 1877.

Mr. ———, Vice-President, etc.:

DEAR SIR:—I am in receipt of a postal card advising that my next annual premium (Policy No. 43,359) is \$147.03. Thereby, I am reminded that the life insurance business, as managed by your company, is like the providence of God, "past finding out." I began paying \$80 cash and \$52 note on this policy in 1867. It seemed an inexpensive luxury. It would have been if I had died. I unhappily survived, and now for ten years have been struggling as much to keep the policy as myself alive. But the appetite of this policy, I observe, does grow by what it feeds on, and the danger is that it will shortly exceed in its demands my ability to answer, and I shall see it die on my hands. The steady and constant increase in the amount of the premium on this policy began to excite curiosity, not to say admiration, several years ago. The agent to whom I applied for enlightenment—I have passed through the hands of five or six, each of whom has amassed a competence and retired—so overwhelmed me with mathemat-

ics of the most mixed and abstruse character that I fell back from the investigation greatly humiliated at my own ignorance, and profoundly impressed with the resources of—either the company or the agent, I could not decide which. I think I realize, and I hope I appreciate gratefully, the beneficent operation of this steady progression in cost of the policy. It makes one contemplate death with resignation, and to look upon that consummation as a check-mate to the company. Did you ever think how Booth or John McCullough might improve Hamlet's soliloquy and thrill an ordinary audience by just holding up one of your insurance policies and suiting the action to the word, at the passage: "There's the respect that makes calamity of so long life!"

But I fear I trespass on your time. Is it true that insurance officials, notwithstanding the meagreness of their salaries, are overworked? I will come at once to business. I need not trace the steady upward progress of these premiums. Sufficient that last year I paid \$112.75, and this year you call for \$146.03 upon a policy the annual premium on which was \$132 ten years ago. At that rate of increase, and with my discouragingly sound health, I cannot undertake to compete with the company. I am aware, of course, that a policy-holder who has paid ten annual premiums can hardly expect the consideration due those who, not being insured, seek information. Being a fish in the basket, I do not expect the consideration due one in the sea, and yet I would like to know whether Policy No. 43,359 has any surrender value. Can you give me any information on the subject? I am already in possession of considerable accumulation of tracts, pamphlets, circulars, almanacs, calendars, and extracts from religious newspapers, which afford abundant knowledge as to the facilities and methods for getting in to life insurance; what I seek now is information how to get out.

Pardon me, sir, if I have used too great familiarity in addressing a man whose acquaintance with logarithms and mortality tables and the differential calculus entitles him to the name of benefactor and the sal-

ary of actuary. I am not ignorant what is due the representative of \$27,000,000—if that's the figure—of assets. I address you because your name appears upon the seductive postal card which invites me to add \$147.03 to the \$27,000,000. I presume you are no stranger to the complaints of disappointed policy-holders, and it is not improbable that you dismiss them all with the remark of the Apostle Paul, upon returning a box of Dr. Ayer's celebrated compound cathartic pills to the elders of the church at Ephesus, "None of these things move me." But there may be some one in your employ who can show me the cheapest way out. Will you please refer me to him, that I may present my policy and receipts and things, with the conundrum which at one time staggered the intelligence of such a statesman as Daniel Webster, "What is all this worth?" But then, Webster knew scarcely anything about life insurance.

Yours, very respectfully,

—*N. Y. Tribune.*

The Romance of Life Assurance— Its Trials, Tribulations and Tragedies.

[Continued from last number.]

"I could a tale unfold, whose lightest word
Would harrow up thy soul."

—*Hamlet.*

Up to this point in the narrative which we are epitomizing, no mention has been made of the dark and tragic incidents which were prefigured in the introductory portion of our opening chapter. The path of the narrator has been hitherto through places replete with scenes of human cunning, credulity and crime; but the sombre hue of the story has been colored from time to time by episodes of humorous adventure, and by amusing delineations of quaint and eccentric character. Dark tales of crime, unmitigated by one ray of human feeling, now come in quick succession upon the historian's page, and reveal to the astounded gaze of the moralist the elements of demoniacal depravity which may be conjured up from the depths of the human heart under the stimulus of the lowest desires. The prospect of ac-

quiring a sum of money hardly sufficient to furnish the voluptuary or the spendthrift with the means of one year's indulgence, weighs more in his corrupted soul than the bonds of friendship, kinship, or even the sanctity of the marital relation. It is in the nature of the circumstances attending the homicidal frauds which have been perpetrated on life assurance companies that the victim must be dispatched by the most secret and insidious means. Murder, which is figured by the poets with "bared arm," and in rampant attitude, here refuses to sustain her allegorical character, but glides with snake-like softness to the work of destruction. The dagger is no part of the properties that belong to these murderous performances, but the "poisoned chalice" still retains the place that has been assigned to it by histrionic tradition.

THE BEAUTIFUL WIDOW.

In verification of the poetic fancy which has given to murder a feminine personification, the first character in the series of murderous dramas presented by our author, comes on the stage in the form and garb of a woman. At the close of the last century, or at the beginning of the present, when India was supposed to be the El Dorado, which the imagination of mankind has been seeking through all ages, a lady of English birth arrived in London from that Eastern land of fabled riches and enchantment. Apparently she was rich, and in order to keep up this appearance, she maintained a pretentious establishment, and surrounded herself with objects of taste and luxury. But her beauty was far beyond those costly and artistic adornments. From the glimpses that we get of her face and figure, through the fancy of her biographer, we imagine that she was not unlike in person to a notorious adventuress of our own city, who has figured prominently in the records of crime. It is surprising that with some one of the numerous admirers who were attracted by her personal charms, she did not form a matrimonial connection of an advantageous character, and the absence of this condition is one of the mysterious circumstances by which this mysterious woman was sur-

rounded. At a subsequent period of her career, when her pecuniary means—which were never adequate to the requirements of her position—had been nearly exhausted, she encouraged the addresses of a young man of obscure station, and accepted from him an offer of marriage. The remarkable nature of her selection, and a proposal on her part to insure the life of her affianced, led to inquiries concerning her antecedents. The result revealed sufficient grounds to suspect her of poisoning her East Indian husband, whose life was heavily insured for her benefit, and on the proceeds of whose insurance she had been living in luxury. The young man to whom she was betrothed very prudently declared off, and without waiting for further investigation, she suddenly and mysteriously disappeared. A Hindoo man-servant, who was her constant attendant in England and who accompanied her flight, was supposed to have been an accomplice in her crime.

THE ANNALS OF CRIMINAL JURISPRUDENCE

Present no record of more thrilling crimes than those which attended the career of Thomas Griffith Wainwright. This man's character is among the anomalies of human nature, and furnish to the psychologist a study of the deepest interest. Nor is it only in the registers of convicted crime that his name will be remembered: the familiar companionship of such men as Lamb, Proctor, Hazlitt and Allan Cunningham has given him a status in the literary history of the period. Wainwright himself was a writer of no mean ability, and under the *nom de plume* of "Janus Weathercock," contributed to the periodical literature of the day some brilliant productions. He is described by his associates as of amiable disposition and handsome exterior, and with that charm of manner which won their favor and affection in an uncommon degree. How startling was it to find that under such prepossessing externals there lurked the soul and spirit of a murderer.

THE LADY VISITORS.

At some time about the first quarter of the present century, two ladies, both young and one married, were frequent visitors to the in-

surance offices of the City of London. Their object was to effect insurance on the life of the younger and unmarried one. In these days it is certain that under such circumstances as those of their application, no policy would be granted by a reputable company; but rules were laxer then, and motives were not rigidly scrutinized if the transactions could be made to fit within the letter of the law. The ladies, however, were partially successful in their enterprise, and policies were issued to the amount of £18,000. This sum was then sought to be increased, but the companies became alarmed, and declined all further proposals.

THE MOTIVE FOR THIS EXTENSIVE SPECULATION

Will be easily divined when it is announced that one of the ladies was the wife of Wainwright, and the other her step-sister, but living with him and entirely under his control. The sequel, also, is as easily predicted. The policies are assigned to Wainwright; then there is a supper and a sudden illness of the victim, who swallows a powder which the doctor does not remember to have prescribed; death speedily ensues, and Wainwright triumphantly presents his claim for £18,000. The companies, however, disputed the validity of the assignment on the ground of an absence of insurable interest. At this time there was no suspicion of murder, as the body of the deceased had been examined, and death was declared to have been caused by a pressure on the brain. The guilt of Wainwright was probably established from his own confession, and might never have been suspected but for his commission of other crimes which placed him in the hands of justice.

A VERDICT FOR THE COMPANIES

Was given against Wainwright, but the heir-at-law brought suit for the recovery of the claim, which was resisted on the ground of deception. It was during the progress of this trial that Wainwright, who had been arrested for extensive forgeries on the Bank of England, offered on condition that his punishment should be mitigated, to give such information as would save the companies from paying the contested policy.

The promised revelation was made, and through the influence of the companies, probably, or perhaps from a technical defect of evidence, it was decided by the law officers not to proceed against him for the capital offense. After serving a term of expatriation as a convict, he was liberated in Sydney, where he is said to have died in a hospital, under the most distressing circumstances. Wainwright was also accused of having poisoned an English officer, on whose life he had an insurance for £5,000.

(To be continued.)

The Warfare between Home and Foreign Insurance Companies.

The unseemly warfare that is being waged between our home and foreign insurance companies doing business in this country cannot fail to be productive of injurious results to the belligerents. We are in the interests of peace, so far as peace can be honorably maintained; but either in peace or in war, we are always in the interest of fair play. Much has been said on both sides that should have remained unsaid. Groundless assertions and contemptible insinuations reflecting upon the character of companies and officers of companies have been recklessly made by men who previously would not have dreamed of doing so. This is not fair play. It will be said by way of extenuation that men who thus forget the proprieties and decencies of their profession and mistake slander for truth are not worse than men on the "other side." There should be no "other side"—there is room for all. We fear not the competition of foreigners in any one branch of industry, trade or profession. The insurance profession is not, and cannot in this regard be, an exception. No undue advantage should be extended to this or that class of companies, but all should and must have fair play.

We recently published an article from the *Chicago Argus*, which placed foreign companies in possibly the worst light that an ingenious writer could devise. The same issue of the *Chronicle* contained an article

from the *London Review*, in the nature of a defense of English companies or a comparison of their standing with that of American companies doing business in England, and showing, of course, advantageously for the former. Thus presenting the tunes of the opposing organs—we let the matter drop.

It appears, however, that the tune played by the *Review* was not considered to be up to standard pitch, and hence we have been requested to publish the article from the *Investigator*, which appears in another portion of this paper. Now, we deem these "defences" not only unnecessary but highly injudicious. The foreign insurance companies doing business in this country as a body, as well as our home companies, do not need any special pleading to secure the confidence of the public. The community must and will have insurance. It matters not to the purchaser of insurance whether the company of whom he has made the purchase holds a foreign or a domestic charter, provided he has a sufficient guaranty that the insurance is what it is represented to be. We believe that most of the foreign and home companies as they have in the past will in the future afford that guaranty and security to their customers. Then, why this unseemly warfare? Have companies not enough adversity to contend with in the shrinkage of business and increase in losses without seeking additional trouble by wrangling among themselves?

The demon of prejudice should not be allowed to obtain a foothold in the sanctuary of an honorable business. Petty jealousies invariably lead to a dishonorable rivalry. Men who wish to maintain their manhood and the dignity of their calling should assert themselves and crush this obnoxious rivalry. That there are enough of such men in the insurance profession we have never doubted; that they will make their influence felt by securing alike "fair play" for foreign and home companies, and prevent a continuance of a controversy that should never have been begun, is earnestly desired by every independent member of the profession.—*Chronicle (Insurance)* N. Y.

The Fire Department of San Francisco.

Chief Engineer Scannell's report for the year ending June 30th last does not present this Department in a state of complete efficiency. The supply of reliable hose is stated to be insufficient for the requirements of an extensive fire; many of the hose carts have been in service since the organization of the Department, and are pronounced to be in a dilapidated condition and unsafe. The Department houses are in need of repairs, and the stable stalls are so badly arranged that the horses are frequently injured. There is a want of heaters for the generation of steam, and of a chemical apparatus for obviating the damages that are caused by water. On the other hand, all the engines are in first-rate order, as are also the hook and ladder trucks and their apparatus. During the year that is rounded by Chief Scannell's report, 66 new hydrants were erected, and a Hayes Fire Escape was built for the service of the Hook and Ladder Department, which has been reinforced by the organization of another company — Hook and Ladder, No. 4.

THE SUGGESTIONS MADE BY THE CHIEF ENGINEER

For improving and adding to the resources of his Department are various and valuable. The building of a fire-boat is strongly recommended, and it is stated that with such an accessory a large portion of the damage by the Brannan street fire in August, 1876, might have been prevented, as the water supply would have been increased fourfold. Attention is called to the unprotected state of the Potrero and Western Addition districts, in which more hose-carts are necessary. But the most serious complaint is urged against the Spring Valley Water Works, the mains of which in the most inflammable portions of the city, as was evidenced at the recent fire in Drumm street, are too small for the emission of a lengthy stream.

ORGANIZATION.

The Chief's report is accompanied by a report from the Fire Commissioners,

by which we find that the personal organization of the Department is as follows: Board of engineers, clerk and messenger of the Board of Fire Commissioners, veterinary surgeon, superintendent of steam fire-engines and his assistant, corporation yard keeper and corporation yard drayman, 2 hydrant men, 11 enginemen, 11 firemen, 21 drivers, 6 stewards, 4 tillermen and 1 relief engineer. There are 196 men in readiness for alarms.

THE MACHINERY AND GEAR

Consist of eleven steam fire engines, seventeen hose reels, and four hook and ladder carriages. Besides, there are in reserve four steam fire engines, two hose reels, and two hook and ladder trucks. These reserves, as well as the appliances in active service, are always kept in the best condition. Of reliable hose there are 18,000 feet, which, however, as regards quantity, is not considered adequate for the wants of the city. The purchase of 10,000 feet more is recommended, and without it, says the Chief, in case of a large fire, the city might suffer more than many times its cost.

CISTERNS, EXPENSES, ETC.

The capacity of the public cisterns, of which there are forty-nine, is 1,899,856 gallons. They are all in good order, and conveniently distributed throughout the city. The expense of the cisterns and hydrants is set down as \$15,295.02. The other expenses are, for salaries, \$155,940; running, \$39,570.56; office, \$1,139.53.

FIRES, ALARMS, LOSSES, INSURANCE, ETC.

The statistics in regard to these have already appeared in the report of Fire Marshal Durkee, which will be found in our September number. The Chief Engineer's report is very voluminous, but perhaps not more so than is necessary, as it contains the most minute information in regard to each engine company, hook and ladder company and hose company within the Department.

IN CONCLUSION,

We have to compliment Chief Engineer Scannell on the ability and assiduity which are manifested by his elaborate statement. The deficiencies therein pointed out reflect

no discredit on him, as he has, according to his assurance, repeatedly presented them to the Board of Supervisors. With this body, therefore, remains the further responsibility of protective action.

Department Reports.

The following reports came too late for reviewal in our last number. The essential facts and figures therein are now condensed as follows:

MISSOURI LIFE, FIRE AND MARINE.

At the date of this report, August 6, 1877, there were 182 Fire and Fire and Marine Insurance Companies doing business in this State. Of these, 26 were Home companies, 143 from other States, and 13 from foreign countries. This exhibit shows a decrease of 16 companies since the date of the last report. The Missouri companies that have given up business are, the Commercial, St. Louis Lumbermen and Mechanics, and the United States, all of the city of St. Louis. The two last-named companies have reinsured their risks; the fate of the first is already a matter of notoriety; "nearly all the assets have disappeared, and the company is utterly insolvent."

The fire and marine business in Missouri, of all the companies authorized to do business in that State is for the year 1876 as follows: Premiums received, \$3,739,549.17; losses paid, \$1,664,836.15.

The Life business is done by 3 Home companies, viz., the Covenant Mutual, German Mutual, and the Life Association, and by 29 from other States, including one Accident company. The Missouri companies issued in 1876, 6122 policies, insuring \$13,580,981, and had in force at the end of that year 14,872 policies, covering \$37,701,952. The companies of other States issued in Missouri during the same year 2835 policies, amounting to \$7,121,407. They had at risk, on the 31st December last, \$45,935,862, represented by 16,837 policies. The report contains ample details of the companies in receivership.

RHODE ISLAND FIRE, MARINE AND LIFE.

In 1876, the fire and marine business of this State was transacted by 157 companies, of which 133 were of other States and foreign countries. The tabular statements for that year show six home stock companies taking in fire premiums, \$110,613.48, and in marine, \$112,031.75; and paying losses in the same relation, \$29,446.06, and \$66,337.15. Eighteen mutual home companies, had in force, on the 31st of December last, \$140,927,706 risks, represented by a premium of \$1,346,935.79. The fire and marine business done in Rhode Island by the companies from other States and foreign companies is composed as follows: risks taken during the year, \$39,718,952; premiums received, \$522,041.26; losses paid, \$306,430.23. The life insurance policies issued in the State during the same year number 677, and the total amount of risks in force at its close was \$16,000,000—a decrease in two years of over \$4,000,000; and there is a corresponding decrease in premium receipts. The companies reporting to the department are 28 from other States, including one accident company. Rhode Island has no domestic company in these lines of business.

Errors and Omissions Excepted.

Relying on the habitual caution and precision of the *Monitor*, we copied, in our September number, from that paper, a list of fire insurance companies in receivership, voluntarily retiring from business, or under assessment.

In partial correction of this we now subjoin a letter addressed to THE COAST REVIEW, by M. T. Polk, Insurance Commissioner of Tennessee, and shall be happy to make reparation of any other errors that may be found in the statement referred to. We have already explained that the assessment marked against the *Lycorning Insurance Company* was made in pursuance of that company's ordinary system of business, and that it is not in any shape an indication of weakness:

NASHVILLE, Tenn., Sept. 17, 1877.

DEAR SIR:—In your September number article, "Disorganization of Fire Business in America," you put in as from the *Monitor*, among the companies failed, the *Hernando* and *Bluff City*, of Tennessee. The *Monitor* copied it from an evening journal in New York. It is utterly false; both companies are as sound as nuts, and do a legitimate *home* business, and are safe and reliable. Please correct.

Yours truly, M. T. POLK,
Ins. Com. of Tenn.

The Fire in Washington, D.C.

The burning of the Patent Office at Washington, on the 24th September, will take a place among the memorable, if not among the most extensive fires of the present century. At one time it seemed probable that the catastrophe would be classed under both these conditions, but the energetic efforts of the Fire Department, aided by the military and marines, were speedily successful in controlling the flames. Assistance was also promptly furnished from Baltimore, the Fire Department of which city sent its men and engines over the line at the rate of a mile a minute. The origin of the fire is still without satisfactory explanation. One theory attributes it to a defective flue—a frequent cause of the burning of public buildings; and the usual surmises are not wanting in regard to incendiaries and spontaneous combustion. There is nothing, however, in the facts that have been disclosed to give a reasonable color to either of those conjectures.

The Patent Office was a granite building, and stood between F and G, Seventh and Ninth streets, opposite the General Post Office. The upper stories only were used for the purposes of the Patent Office, the lower being occupied by the Department of the Interior, which includes the Land Office and the Indian Bureau. The flames, we understand, were extinguished before reaching these offices, but many of the records have been damaged by water and have been thrown into a confusion which will occasion

much trouble and delay in the management of the public business. The most valuable of the models that have been destroyed can, if necessary, be replaced, as the drawings and specifications have been saved. Among the objects of value and interest that were rescued are the original Declaration of Independence, some relics of General Washington and the Franklin printing press. It is computed that the models of inventions, patented and rejected, were more than a million in number, and that of these 60,000 have been destroyed. The direct pecuniary loss is estimated at from \$300,000 to half a million. This is the second time that the Patent Office has been burned during the last half century. The first fire occurred on the 15th December, 1836, and destroyed also the General Post Office. The experience in regard to the public buildings at the capitol has not been fortunate. On the 24th December, 1851, a part of the Library was destroyed by fire, and also 35,000 volumes. A part of the Smithsonian Institute—another case of defective flue, it is said—was burned some years ago, and with it many priceless collections of art and science.

Fire Underwriters' Association of the Northwest.

The eighth annual meeting of this Association was held at Chicago on the 19th and 20th of September, and the report of its proceedings on the first day is compiled in an interesting pamphlet, of which we thankfully acknowledge the receipt. The address of the President, Charles E. Bliven, Manager of the Howard Insurance Company, N. Y., comprehends every subject which is of importance and interest to the profession in general. The papers read on the first day are entitled "Fire Hazards of Woolen Mills," "Furnaces and Heating Apparatus" and the "Claims of Fire Insurance Practice to Professional Rank." These were composed and read respectively by Mr. William Ashworth, General Agent British-America Assurance Company; Mr. George Crooke, and Dr. Bombaugh, the learned editor of the *Baltimore Underwriter*.

They are all excellent, both in regard to arrangement of subject and to literary style. That part of the president's address which contains a retrospective survey of the situation, we now submit *in extenso* :

We have assumed that existing troubles in the business of Fire Insurance constitute one of those periodic changes that veteran underwriters look for, and are prepared to meet; and we may assume that its duration will be as brief as those which have preceded it.

Let us review a little: From various data we learn that prior to 1810, fire underwriting in this country paid a profit; and companies prudently laid by a surplus to meet extraordinary losses. From 1810 to 1830, numerous companies were formed, and rates were so reduced that many were compelled to use their surplus in payment of dividends. During this period, the profit did not average three per cent. From 1830 to 1850, the whole amount of premiums received in the United States and Canadas, with many millions of capital besides, was required to meet losses. As a net result, the business from 1701 to 1859 not only paid no profit, but actually made a large loss of capital.

From 1850 to the present time, most of you are familiar with the result, having had personal experience therein. Coming nearer to the present time, it may not be out of place here to add that a chart lately published shows that in 1875 there were 102 companies doing business in the State of New York, of which only 72 had seen ten years' experience—the "survivors of a decade." An analysis of that experience also shows that nearly one-half of these survivors had actually declined in their gross assets, from one to sixty-one per cent. Official reports, giving the result of business for 1876, show that of the whole number of companies, as therein set forth, more than twenty-five per cent. transacted it at a loss.

Let us take another view: Statistics, compiled from various sources, show that up to the present time about four thousand insurance companies have been organized to do business in this country; of which less than one-quarter, or 981—479 stock, 502

mutual—are now in existence. Fully seventy-five per cent. of these have only a local business; less than ten per cent. have *cash* assets to the amount of half a million; and not over ten per cent. have achieved a national reputation. Probably not fifty per cent. of the companies doing an agency business in 1870 can be found among the agency companies to-day.

But three of the companies doing a general agency business in 1845 continue in the field. And it is a curious fact that one of these three was the first company to place policies in the hands of agents for issue, was the first company to place an agency in Chicago; and issued a policy covering the first brick house erected in the city. It has at least two agencies, established more than fifty years ago; and what is more remarkable, has had only two agents—father and son—in each case.

But while the mortality among companies has been great, the increase of business has been tremendous, and requires now nearly twenty-five thousand persons to transact it, more than one-third of whom are within the territory covered by this Association.

The contingent liability of fire insurance companies doing business in the United States is greater than the aggregate of the funded debt of the General Government, of all the States and cities, and of all the railroads in the country. It is also a sum greater than the entire taxable valuation of personal property in the United States, as shown by last census. Even this immense sum is possibly an underestimate. A list of some two hundred companies shows an average of upward of \$25,000,000 each, at risk. If we assume that the 981 companies of which we have record will average but one-third of this amount, their contingent liability will reach nearly \$10,000,000,000—a sum exceeding the taxable valuation of *real* property, according to the last census.

This liability companies are called upon to discharge, at a rate which, during the average life-time of those present, would aggregate a sum approximating that of the funded debt of the General Government.

The losses for 1876, per *Chronicle* tables,

were nearly \$64,000,000, of which more than \$34,000,000 fell upon insurance companies.

We think the amount of loss, as given, does not reach the actual destruction of property by fire. An ascertained percentage of loss upon the taxable valuation of property indicates the amount to be a sum much larger than the interest upon the national debt. This is a strain upon the vitality of the country, which demands the serious and earnest attention of our people.

An investigation into this percentage, based upon statistics compiled from official sources, reveals the startling but very interesting fact that such percentage is so nearly uniform in various States and cities where these statistics were obtained as to indicate the existence of a reliable law of average in regard to this matter. It also shows that wherever the percentage exceeded the average, the aggregate losses and expenses of that locality exceeded the aggregate premium receipts.

Would it not be well for the Association to have a special committee investigate this subject further, and report at our next meeting? If the view herein given shall then be verified, it is not unlikely the work of the Association will have an important bearing upon the future of fire underwriting in this country.

In connection with the loss question, we venture the assertion that the total amount of losses paid by insurance companies now in existence will reach a sum more than five times the amount of capital invested in the business.

So if we scan the results of the past and consider the status of the present, need we wonder that there has been a failure of an insurance company every two weeks, on the average, during the past century; or that the *thinking* underwriters of the country have striven, and are striving manfully, to place the business in their charge upon a more solid and reliable basis?

Possibly one trouble they have to contend with, is the unthinking portion of the fraternity. "We have," once said a leading underwriter of this country to your speaker,

"a great many in the insurance business who don't think—they think they do, but they *don't!*" As he gave emphasis to this expression, characteristic of the man, I was made to feel then, and have many times since, realized the full force of his words.

"It is one of the hard things to be a good thinker, but the sure sequence is to be a good examiner."

Now, in the lesson taught by such a record as we have but imperfectly sketched, underwriters—especially those engaged in the field work—owe to themselves the cultivation of the habit of thought and examination into what shall be best for the future business of their business in this country. This is the more necessary, since with all the vaunted ability of the American underwriter, he seems to have a passive submission to the traditions of the past. It is also a duty which they owe to the assured, to the community and to the State.

Fire Alarm and Police Telegraph Superintendent's Report for 1876-77.

The report of Superintendent Curran is published in the *Bulletin* as follows:

The signal boxes in use consist of 91 crank and 46 automatic boxes; total, 137. (The location of the boxes is given.)

The tower bells and gongs are operated in connection with the central office as follows: Large gongs 31, small gongs 22. One bell of 4,500 pounds weight, four of 2,000 pounds weight, one of 800 pounds weight and two of 300 pounds weight. There are 15 magnet dial telegraph instruments on the police circuit and municipal institutions, connecting the City Hall and the central office, as follows: Fire Alarm Office, City Hall, Industrial School, Almshouse, House of Correction, City and County Hospital, Magdalen Asylum, Pesthouse, Fire Commissioners' Office, Health Office, Harbor Police Station, and the police stations at Hayes Valley, Howard and Tenth streets, Harrison and Fourth streets, and Folsom and Sixteenth streets.

The operations extend over 100 miles of

wire, divided into nine signal or box circuits, six alarm circuits and five police circuits. Seventy-five miles of wire is run on poles, and the remainder from house to house.

The labor performed during the year was as follows: 218 poles set and 54 condemned poles removed. The latter were unserviceable, having been up since the organization of the Department. There remain quite a number which will have to be taken down before next Winter. Eleven miles of new wire has been run, a portion replacing old wire; sixteen miles of old wire taken down, ten miles of which was replaced by new wires on Stockton Street.

Nine boxes were removed from buildings, and placed on 30-foot poles, and wherever practicable boxes are being removed from buildings to poles, as they are less liable to injury in case of fire, and offer no inducement to maliciously-disposed persons to turn in false alarms, on account of their exposed position.

The twelve signal boxes have been placed in service in the suburbs.

An additional gong was placed in the house of the recently organized Truck Company, No. 4, and the new bell was removed from the roof of house No. 8 to a tower.

Twelve crank boxes have been removed from the district south of Market street and replaced by automatic boxes, making all the circuit in the business portion of the city automatic.

There has been no increase of boxes at South San Francisco, the present number proving amply sufficient for the requirements of that section of the city.

SALARIES OF EMPLOYEES.

Superintendent, per year.....	\$1,770.00
Three Operators, at \$125 per month.....	4,459.53
Chief Repairer.....	1,200.00

\$7,429.53

EXTENSION AND REPAIRS.

Labor, material and repairs.....	\$5,366.68
Horse-keeping and repairs to wagon.....	527.58
Telegraph poles.....	282.00
Distributing poles.....	288.25
Hardware.....	70.25
Stationery, etc.....	163.75
Chronometer.....	250.00
Use of chronometer.....	35.00
Chemicals.....	88.57

Horse.....	125.00
Buggy.....	250.00
Harness.....	52.50
	\$7,500.08
Total expense.....	\$14,929.71

During the year 263 alarms were given, as follows: Fires, 219; second alarms, 3; general alarm, 1; false alarms, 22; chimneys, 15; bonfires, 3.

In conclusion, Superintendent Curran calls the attention of the Board of Supervisors to the necessity of discarding all the old crank boxes and substituting the automatic. At present the city is supplied with automatic boxes, and the rapidity and certainty with which alarms are received from them prove their superiority over the old style crank box.

The Superintendent further calls attention to the fact that the present appropriation is not adequate for the requirements of the Department. The circuits have been extended from year to year, and new boxes, gongs and bells added, until there is such a length of wire, and its capacity so crowded, that the breaking of a line is liable to leave an entire section of the city unprotected until the repairer can reach the location of the trouble and make the necessary repairs. This danger can be remedied by increasing our box circuits from nine to fifteen, and the alarm or bells from six to ten. With this increase every portion of the city will be supplied with several circuits, and should one break there would still be a circuit over which alarms could be given.

The Superintendent is engaged in overhauling the old lines, running new wire where necessary, transferring the wires from house-tops to poles wherever practicable, running wires into engine-houses, and before the Winter he intends to have the present complement of wires in first-rate condition.

—There are twenty-nine incorporated banks in San Francisco, with an aggregate capital of \$34,915,000, \$6,000,000 reserve funds and \$100,200,000 of deposits. To these must be added the private banks, whose capital is given at \$1,800,000, with deposits reaching to \$5,000,000.

Andrew D. Smith's Agency.

Through the enterprise of this gentleman, the Pacific Department of the Northwestern National Insurance Company, of Milwaukee, was placed under his management in the early part of the present year. This company is a most desirable addition to the underwriting resources of the coast, and maintains a high reputation, both here and in the Eastern and Western States. The financial exhibit of its affairs, which we are about to present, has every indication of stability, and we particularly commend attention to the satisfactory character of its securities, which are set forth particularly in its printed circulars. The capital, all paid up, is \$600,000; on the 1st of January last, the assets were \$877,193.45, and the liabilities, including reinsurance reserve, \$206,680.87; thus showing a surplus as regards policy-holders of \$670,512.58. About \$350,000 of the assets are in registered bonds of the United States.

The Amazon Insurance Company, of Cincinnati, also belongs to Mr. Smith's agency on this coast, and although only recently transferred to his management, it has maintained here during many years an unexceptional reputation. On the 1st of July, 1877, its assets were \$800,599.80, and its liabilities, including reserve, \$293,695.97, thereby showing a surplus for policy-holders of \$506,903.83. Lately, as will be seen in another part of this issue, it has reduced its capital, of \$500,000, to \$300,000, and carried \$200,000 to the account of surplus. The reduction of capital is therefore merely technical, and in no wise affects the position of policy-holders.

THE FAIRFIELD FIRE INSURANCE CO., of South Norwalk, Conn., has just transferred its Pacific agency to Mr. Smith. Though comparatively of small calibre, as regards figures, its relations are of a substantial character and it has a reputation for cautious underwriting. The cash capital is \$200,000; assets, \$310,306.56; liabilities, \$65,730.87; policy-holders' surplus, \$244,575.69. Since 1870 it has paid in losses

\$558,000, and in cash dividends to stockholders, \$118,000. Mr. Smith was formerly a partner in the firm of Hutchinson, Mann & Smith, and is well known on this coast as a judicious underwriter. At the commencement of the present year he entered into business on his separate account, and it speaks well for his standing that within so short a time he has succeeded in obtaining the management of three reputable companies. His office is at 310 California Street, and further particulars of the companies he represents will be found in another part of this number.

Convictions for Arson.

The energetic action of the San Francisco underwriters and of the municipal authorities in offering rewards for the apprehension of incendiaries, has met with some slight success. During the last month, Joseph Smith was convicted of setting fire to a match factory near Townsend Street on the 27th of July last. Several other arrests of supposed incendiaries were made during the late riotous troubles, but Smith's is the only case that has been made out. The reward, which is \$1,000, offered by the city, has been or will be paid to the lucky captor.

The Walter arson case at Oakland, which has been fully reported in THE REVIEW, is now finally disposed of. The mother, Sarah Walters, was convicted and sentenced to the State Prison, but the father, Samuel Walter, and his daughter, Sophie Shymmel, were acquitted after a second trial. On the first, the jury disagreed.

Mahoney and Shay, who were apprehended on August last for an alleged attempt to burn a vacant dwelling-house on Seventh Street, Oakland, have been brought before the Grand Jury and discharged. The public are not surprised at this result, as the evidence against them at the preliminary examination was very meagre.

In view of the many fires in this city and the vicinity that are on reasonable suspicion attributed to incendiarism, it may seem surprising that the large rewards offered by the underwriters and the municipality have not harvested a considerable number of

convictions; but it must be remembered that of all crimes, arson is not only the easiest to perpetrate, but the most difficult to detect. It is this difficulty of proof which is relied upon by the criminals, and they would still rely upon it even if the penal laws against their offence were increased in severity. It may be said in regard to arson, that the criminal portion of the community is passing through one of those epidemical periods which have been recognized and characterized in the history of murder, suicide, embezzlement, and some other crimes. The causes of incendiarism are many, and the difficulty of coping with them is proportionally great. Fraud on the insurance companies is supplemented by malice, idleness, discontent on the part of the unemployed, and that fascination for destruction which sometimes comes from a frequent repetition of the crime. This is a matter in which the public must give their best energies to support the underwriters. The injury to the latter can be repaired by an increase in the fire rates, but the damage to the former is without recourse. These suffer not only by the destruction of their share in the aggregate wealth of the country, but also by an increase of taxation in the shape of dearer insurance.

Fire Insurance Specialties.

La Provinciale is a company that has recently been organized in Paris for the purpose of insuring two descriptions of risks—breweries and sugar refineries.

The advantages arising from enterprises of this nature are manifest, as they enable the underwriter to obtain an exact average in the valuation of his risks. A company insuring, for instance, all the breweries in a certain country, can do so at rates more in consonance with the character of the risk than if it insured only a small number. The cost of insurance will obviously be lessened, as each industry will spontaneously seek those insurers which are specially devoted to it, and thus eliminate from the business the expenses of solicitation. The tariff rates will also be diminished by the

exact knowledge which the underwriter will possess in regard to the property offered for insurance. At present, there is such a variety of risks presented to a company in general business, that it is impossible to rate each description according to its exact degree of hazard, and, therefore, in order to remain with certainty on the side of security, it is necessary to load the tariff with computations of probabilities that may not be justified. The project of *La Provinciale* is from this point of view perfectly logical, and in placing itself as the special insurer of two great industries, it enters on an untrodden path, which will certainly conduct it to success. Confining its business to a large number of breweries and sugar refineries, it can reduce its premiums by about one-third, and thus effect an important revolution in this branch of insurance.—*Translated from L'Argus.*

Memorable Fires in the United States.

In the last December number of the *COAST REVIEW*, we published a chronological and geographical digest of the history of the world's great fires, which was compiled by one of our exchanges from Walford's History of Fires. For more ready reference, we now separate from that publication all the memorable fires that have occurred in the United States from the earliest period of the National formation, extending the list to the present day, and arranging it alphabetically, according to location:

BOSTON.

July, 1861; loss.....	\$ 1,000,000
Oct. 9, 1872; great fire; 718 buildings burned; loss.....	75,000,000
May 30, 1873; loss.....	1,100,000
Dec. 15, 1874; loss.....	1,000,000

BALTIMORE.

1796.....	city nearly destroyed.
April 14, 1857; loss.....	\$ 500,000
Aug. 2, 1873; 100 houses; loss.....	700,000

BUFFALO.

Sept. 26, 1851; 500 buildings; loss.....	500,000
--	---------

CHARLESTON.

1778; loss.....	500,000
1838; 1,158 buildings; loss.....	5,000,000
Dec. 12, 1860; loss.....	10,000,000
1868; loss.....	3,000,000

CHICAGO.

Oct. 9, 1855; loss.....	650,000
1857; loss.....	350,000
Sept. 15, 1858; loss.....	500,000
April 18, 1860; loss.....	150,000
Aug. 19, 1866; loss.....	500,000
Sept. 4, 1870; loss.....	2,500,000
Oct. 8, 1871; loss.....	250,000
Oct. 9, 1871; extended over five square miles; loss.....	165,000,000
July 14, 1874; extended over sixty acres; loss.....	4,000,000

GALVESTON.

June 8, 1877; loss.....from \$2,000,000 to \$3,000,000

JERSEY CITY.

Aug. 19, 1866; great petroleum fire; loss, \$2,000,000

MARBLEHEAD, MASS.

June 25, 1877; 72 buildings, including 40 dwellings, were burned, also the Eastern Railroad Depot; loss.....\$550,000

NEW YORK.

Previous to 1800 there are five large fires recorded, including

Aug 17, 1778;.....300 houses destroyed.

1800-1834.....three large fires.

Dec. 16, 1855; 674 buildings burned;

loss.....\$20,000,000

(Weather very cold and water scarce.)

1836; loss.....\$250,000

1839; loss.....\$4,000,000

July 19, 1845; 302 buildings burned; loss, \$1,000,000

Nov. 10, 1853; Harper's extensive bindery;

loss.....\$1,300,000

Dec. 20, 1853; Front Street and shipping;

loss.....\$650,000

Oct. 13, 1858.....International Exhibition Building.

Dec. 29, 1859; Beekman Street; loss.....\$700,000

Feb. 2, 1860.....fifty lives lost.

May, 1862.....great petroleum fire.

July 13-15, 1863; riots; loss.....\$500,000

April 16, 1865; warehouses; loss.....2,150,000

July 13, 1865.....Barnum's Museum.

Sept. 24, 1867; Tompkins Street; loss.....\$200,000

Dec. 10, 1872.....Fifth Avenue Hotel.

July 26, 1873; Government Bonded Warehouses;

loss.....\$5,000,000

Feb. 8, 1876; Broadway and Crosby Street;

loss.....\$1,750,000

Sept., 1877; 35th St.; block burned; loss of life.

NEVADA CITY.

1852.....nearly destroyed.

PHILADELPHIA.

1799.....a fire which commenced in a theater.

Oct. 4-5, 1839; 54 houses burned near Water and Chestnut Streets; loss.....\$150,000

1844.....great loss through fires from riots.

July 10, 1850; conflagration on Delaware Avenue,

Water, Front and Vine Streets; 350 buildings burned; loss.....\$1,500,000

1864; great petroleum fire on Prime Street; loss

very heavy; some lives lost.

Aug. 4, 1839; bonded whisky warehouses, Front and Lombard Streets; 25,000 barrels of whisky; loss.....\$3,500,000

PORTLAND, ME.

July 4, 1866; loss.....\$10,000,000

PORTLAND, OREGON.

July, 1873; 366 buildings burned; loss.....\$1,875,000

PITTSBURGH.

1845.....1,000 buildings burned.

ST. LOUIS.

1849; loss.....\$3,000,000

April, 1877; Southern Hotel.....\$1,000,000

SAN FRANCISCO.

May 4, July 14, Sept. 17, 1850, 640 buildings burned.

May 3, 1851; 2,500 buildings burned;

loss.....\$3,500,000

June 22, 1851; 500 buildings burned, loss, \$3,000,000

SACRAMENTO.

Nov. 2, 1852; 200 buildings burned; loss, \$5,000,000

SAVANNAH.

July 4, 1758.....great damage.

VIRGINIA CITY.

Oct. 26, 1875; city mostly destroyed and machinery of mines greatly damaged; loss.....\$7,500,000

WASHINGTON.

Dec. 15, 1833; General Post Office and Patent Office burned.

Dec. 24, 1851; a portion of the library in the

capital.....65,000 volumes burned.

Sept. 24, 1877; Patent Office; loss about.....\$300,000

—The Atlas Fire Insurance Company, of Hartford, will close up its business. The proposal to reduce the capital stock and to continue the local business was not adopted.

—A movement is now under discussion for securing legislation to limit fire insurance companies to certain amounts of risks within given limits in the city of New York. It is one of those "much talk and little cider" schemes which break forth now and then, but amount to nothing in the way of practical good. Such a law would be like all other attempts to legislate men conservative, or skillful, or intelligent. The well-managed companies do not need it, as they long ago adopted its essence in their daily practice, and the ill-managed companies will be ill managed still, though a thousand laws were passed requiring them to be otherwise.—*Monitor*.

—The Michigan Mutual Life has by its own request been examined by the Department. The result is said to be satisfactory,

The Situation.

Macaulay somewhere calls attention to the vast wealth of London by adducing the fact that it is enabled to maintain one hundred thousand pickpockets; and a somewhat analogous estimate of the resources of the United States might be made by enumerating the shyster companies that have gone to the shades during the past decade.

The President of the Underwriters' Association of the Northwest, averages the number of failures for the century at about one in two weeks, and this average is enormously increased by the record of the present year, which shows, from January to July, a forced retirement of about 30 companies. A large proportion of these was originally established for the purpose of plunder, and could not have existed for any time, except in a community made careless by the easy acquisition of wealth. In this view of the cause which has contributed to the erection of insolvency and fraud as part of the system of insurance, it may be surmised that a period of reform is not far distant. The conditions of profit and loss are rapidly assimilating to those which obtain in older countries, and the waste that comes from the support of irresponsible insurance companies will not be possible. The present demoralization of the insurance business, which pervades the whole country, and which finds its climax in the interne-cine warfare at New York, is one of the agonies that always attend the process of regeneration.

The prudential checks which will redeem the insurance business from the condition of periodic anarchy, must come from the people by individual action. Legislation, except of such a character as would constitute the State or Government the guarantors of the companies' responsibility, is not sufficient to meet the requirements of security, and although such legislation has been suggested, in regard to life insurance, it is not likely to be adopted. The objections to the undertaking of such a function, by the State or Government, are easily perceived, and among them, not the least, is the creation

of another Bureau as a possible source of political corruption. In calling attention to the inefficacy of State supervision, it would be unfair to say that in all cases the departments fail to prevent companies that are notoriously insolvent from continuing their depredations on the public, but the machinery for making the necessary notifications is so weak that they rarely reach the parties for whose protection they are most required. On Hale's piano factory, in New York, which was destroyed by the recent fire in Thirty-fifth Street, there was insurance, so-called, by 16 companies who were unauthorized to do business in that State; and in the case of our own Drumm Street fire, many of the sufferers had continued to hold policies in companies that were known to the Commissioner as insolvent.

The annual statements of the companies show nothing but what the directors choose to tell, and the Commissioner or Superintendent cannot get at the truth except through a staff of experts and actuaries immeasurably larger than that with which he is provided by law. This is one of the circumstances in which the policy-holders must protect themselves by forming committees of investigation, and retaining the services of professional actuaries and accountants.

From all that has come to pass after many years of legislation and supervision, there remains the simple fact, that the State has done for the public very badly what they could have done for themselves sufficiently well. But there are subsidiary measures which properly belong to the functions of government. Among them may be placed the prohibition of dangerous constructions, and a judicial investigation into the origin of fires. The crime of arson cannot be too severely punished, but it is doubtful whether a more rigorous penalty would diminish the frequency of this heinous offense. It is the opinion of some eminent jurists that in the consideration of those meditating a crime which is difficult of detection, the nature of the punishment is little weighed. The philosophy which is necessary to investigate the causes of this particular crime is slightly suggested in another article.

MEMORANDUM SHOWING THE AVERAGE PERCENTAGE OF LOSSES, OF EXPENSES, AND OF PROFITS ON INVESTMENTS

Of twenty-one of the leading American Fire Insurance Companies, each of which did a business of over \$400,000 during the year 1876

COMPILED BY MR. BYRON D. WEST, FROM THE SWORN STATEMENTS OF THE COMPANIES, AS PUBLISHED IN THE OFFICIAL REPORTS OF THE N. Y. INS. DEPT.

[From the Investigator.]

NAME OF COMPANY.	Percent of last named excess to cash capital, or per cent of profits on investments....	Excess of Total Income over Premium Income.....	Per cent. Of Expenses, to total including Dividends, to total income.....	Total per cent. Losses paid and expenses, not including dividends to premium incomes.....	Per cent. of expenses, not including dividends to premium incomes.....	Per cent. of Losses paid to Premium Income.....	Excess of Premium Income Over amounts paid for Losses and other Expenditures, not including Dividends....	Expenses in 1876, not including Losses and Dividends....	Losses Paid in 1876.....	Total Income in 1876.....	Premium Income in 1876.....	Gross Assets, Dec. 31, 1876.....	Paid up Capital Stock.....
Continental, New York.....	15.72	\$1,751,100	38.83	88.30	41.00	47.40	\$1,623,812.92	\$575,105.17	\$684,801.91	\$1,559,419.95	\$1,407,810.75	\$3,040,085.17	\$1,000,000
Germania, New York.....	17.72	96,651	40.59	83.28	45.27	38.01	125,673.08	330,343.74	898,419.45	898,419.45	751,300.00	1,717,848.22	500,000
German-American, New York.....	19.71	97,109	34.56	81.84	38.40	42.85	160,119.87	330,314.80	808,226.74	853,770.00	858,661.00	2,227,353.53	1,000,000
Harbor, New York.....	9.82	92,601	31.84	81.34	38.40	42.85	160,119.87	330,314.80	403,265.10	601,469.00	583,535.00	1,092,885.00	500,000
Marathon, New York.....	15.45	38,610	31.40	94.73	38.25	61.50	54,412.46	218,052.82	403,535.72	680,039.00	1,442,445.00	2,702,565.85	250,000
Niagara, New York.....	14.38	84,300	37.48	88.10	37.72	57.72	103.81	267,917.40	538,108.07	680,039.00	1,442,445.00	1,442,445.00	500,000
Pennix, Brooklyn.....	10.25	83,303	33.35	83.10	35.46	52.91	13,552.92	250,316.40	442,429.08	1,567,175.00	1,257,181.00	2,792,902.00	1,000,000
Westchester, New Koehle.....	24.83	85,227	35.27	91.09	38.74	57.19	121,682.28	330,316.40	442,429.08	1,567,175.00	1,257,181.00	2,792,902.00	1,000,000
Home, New York.....	11.49	81,780	38.74	89.74	37.00	54.62	112,782.00	250,316.40	442,429.08	1,567,175.00	1,257,181.00	2,792,902.00	1,000,000
Amazoa, Cincinnati.....	12.82	81,805	38.74	89.74	37.00	54.62	112,782.00	250,316.40	442,429.08	1,567,175.00	1,257,181.00	2,792,902.00	1,000,000
China, Hartford.....	11.49	81,780	38.74	89.74	37.00	54.62	112,782.00	250,316.40	442,429.08	1,567,175.00	1,257,181.00	2,792,902.00	1,000,000
Citizens, New Jersey.....	11.49	81,780	38.74	89.74	37.00	54.62	112,782.00	250,316.40	442,429.08	1,567,175.00	1,257,181.00	2,792,902.00	1,000,000
Fireman's Fund, San Francisco.....	11.49	81,780	38.74	89.74	37.00	54.62	112,782.00	250,316.40	442,429.08	1,567,175.00	1,257,181.00	2,792,902.00	1,000,000
Fire Association, Philadelphia.....	11.49	81,780	38.74	89.74	37.00	54.62	112,782.00	250,316.40	442,429.08	1,567,175.00	1,257,181.00	2,792,902.00	1,000,000
Franklin, Penn.....	11.49	81,780	38.74	89.74	37.00	54.62	112,782.00	250,316.40	442,429.08	1,567,175.00	1,257,181.00	2,792,902.00	1,000,000
Hartford, Connecticut.....	11.49	81,780	38.74	89.74	37.00	54.62	112,782.00	250,316.40	442,429.08	1,567,175.00	1,257,181.00	2,792,902.00	1,000,000
Merchants, Newark.....	11.49	81,780	38.74	89.74	37.00	54.62	112,782.00	250,316.40	442,429.08	1,567,175.00	1,257,181.00	2,792,902.00	1,000,000
Phoenix, Hartford.....	11.49	81,780	38.74	89.74	37.00	54.62	112,782.00	250,316.40	442,429.08	1,567,175.00	1,257,181.00	2,792,902.00	1,000,000
Pennsylvania, Philadelphia.....	11.49	81,780	38.74	89.74	37.00	54.62	112,782.00	250,316.40	442,429.08	1,567,175.00	1,257,181.00	2,792,902.00	1,000,000
Springfield, Mass.....	11.49	81,780	38.74	89.74	37.00	54.62	112,782.00	250,316.40	442,429.08	1,567,175.00	1,257,181.00	2,792,902.00	1,000,000
Saint Paul, St. Paul.....	11.49	81,780	38.74	89.74	37.00	54.62	112,782.00	250,316.40	442,429.08	1,567,175.00	1,257,181.00	2,792,902.00	1,000,000
Total.....	\$2,477,356	189,057	708,383	18,771	757.10	51.72	11,007.96	\$7,900.50	\$11,415,037.80	\$24,518,810.9	\$322,071.438	\$47,723,036	\$13,700,000
Average to each Company.....	17.44	87.48	33.73	90.24	38.07	52.76	52.76	52.76	52.76	52.76	52.76	52.76	52.76
Average as to Aggregates....	14.83		32.43	87.79	38.07	51.72							

Insurance Stocks.

[From the Investigator.]

New York Fire Insurance Stocks are thus quoted by the *Journal of Commerce*:

Date of Organization.	Company.	Net Book Value, July 1, 1877.	Last Sales.
1858	Adriatic.....	\$120.18	74
1871	Ætna.....	125.00	99
1857	American.....	168.79	150
1873	Amity.....	102.62	80
1853	Arctic.....	101.00	64
1850	American Exchange.....	135.00	110
1871	Atlantic.....	143.00	110
1871	Brewers and Malsters.....	115.00	90
1833	Bowery.....	210.00	203½
1849	Broadway.....	254.25	217
1824	Brooklyn.....	261.01	210
1836	Citizens'.....	200.46	190
1833	City.....	188.00	161
1850	Clinton.....	166.00	153½
1853	Columbia.....	107.00	75
1850	Commercial.....	180.16	153
1853	Continental.....	190.20	140
1859	Commerce.....	101.00	80
1836	Eagle.....	275.00	216
1850	Empire City.....	157.05	125
1873	Emporium.....	100.50	98
1853	Exchange.....	166.57	122
1872	Farragut.....	181.50	138
1825	Firemen's.....	151.81	120½
1858	Firemon's Fund.....	110.00	67
1859	Firemen's Trust.....	167.75	117½
1876	Franklin.....	100.02	100
1857	Gebhard.....	95.38	65
1834	Greenwich.....	261.00	307
1839	Germania.....	230.00	180
1872	German-American.....	104.66	112¾
1833	Globe.....	168.32	133
1875	Guaranty.....	95.00	70
1865	Guardian.....	127.75	93
1862	Hamilton.....	194.30	150
1852	Hanover.....	201.87	125
1864	Hoffman.....	157.00	98
1853	Home.....	134.00	108
1856	Hope.....	125.00	80
1825	Howard.....	136.00	115
1859	Importers' and Traders'.....	158.00	107
1872	Irving.....	127.50	91
1824	Jefferson.....	156.00	146
1787	Knickerbocker.....	123.43	105
1858	Kings' County.....	230.00	172½
1856	La Fayette.....	204.00	150
1872	Lamar.....	157.50	108
1833	Lenox.....	150.00	100
1833	Long Island.....	134.50	170½
1871	Lorillard.....	222.00	96
1871	Manhattan.....	222.00	140
1870	Manufacturers' & Builders'.....	201.83	140
1857	Mechanics'.....	221.39	170
1853	Mechanics' and Trad-		

1850	Niagara.....	198.00	110
1822	North River.....	138.50	130
1851	Pacific.....	309.71	252
1853	Park.....	160.00	132½
1851	People's.....	187.50	100½
1853	Peter Cooper.....	243.00	185
1874	Produce Exchange.....	106.65	87½
1853	Phoenix.....	186.03	155
1855	Relief.....	140.00	92½
1852	Republic.....	122.50	91
1857	Resolute.....	101.00	70
1873	Ridgewood.....	145.00	110
1853	Rutgers.....	208.72	175 ¼
1872	Safeguard.....	165.50	125
1859	Star.....	177.42	125
1864	St. Nicholas.....	129.78	90
1851	Stuyvesant.....	180.00	159
1852	Standard.....	184.23	125
1864	Sterling.....	146.03	95
1858	Tradesmen's.....	229.00	164
1824	United States.....	200.00	157
1853	Williamsburg City.....	272.65	200
1837	Westchester.....	172.00	111
1874	Metrop'n Plate Glass.....	115.00	105

St. Louis insurance stocks are thus quoted:

	Paid Up.	Bid.	Asked.
American Central.....	25	18½	20
Boatman's Ins. and Trust Co.....	40	3	...
Citizen's.....	100	90	...
Franklin.....	73	...	70
Jefferson.....	100	...	65
Lumbermen and Mechanics'.....	100	75	...
Marino.....	100	...	75
Pacific.....	50	15	25
Phoenix.....	100	50	60
St. Louis.....	100	60	...
United States.....	100	80	...

The *Hartford Times* quotes local insurance stocks as follows:

LIFE INSURANCE.		Bid.	Asked.
Ætna.....	450	@500	
Continental (par \$25).....	23	@ 25	
General Life.....	90	@ 91	
Hartford Life and Annuity.....	55	@ 60	
Travelors' (Accident).....	162½	@165	
FIRE INSURANCE.			
Ætna.....	212	@215	
Atlas.....	45	@ 50	
Hartford.....	215	@ 220	
Phoenix.....	182	@185	
National.....	138	@140	
Orient.....	103	@105	
Connecticut.....	105	@106	
Steam Boiler (par \$40).....	54	@ 60	

The New Orleans *Picayune* thus quotes local insurance stocks:

Crescent Mutual, p v 100.....	70	@ —
Factors' and Traders', p v 10.....	97½	@ 99
Firemen's, p v 50.....	48	@ —

Germania, p v 100	48 @ 55
Home, p v 40	197½ @ —
Hope, p v 100	48 @ 50

Decrease and Increase of Surplus of 162 Fire and Marine Co.'s from Jan. 1st, 1877, to July 1st, 1877.

The following comparative table has been compiled from a special statement on file in the Insurance Department of Missouri. It exhibits the surplus or deficit of all the Fire and Fire and Marine Insurance Companies doing business in that State, as they were officially reported on the 1st January last, and the relative condition of the same companies on the 1st July last. The numbers of companies exhibited is one hundred and sixty-two, and a decrease is marked against one hundred and eleven. Some of the companies so marked, as will be seen, are among the most substantial and conservative in the United States, and will at no distant time recover the ground that has been lost; but there are others whose figures are but a foreshadowing of the dismal fate that ultimately awaits them. Our object in publishing this table is to show the drift of the demoralization that pervades the business in general.

The minus mark on the surplus columns signifies "deficit." In the last column it means decrease of surplus.

	Surplus over capital and Liabili- ties, Jany, 1, 1877.	Surplus or De- crease of sur- plus or Liabili- ties, July 1, 1877.	Increase or De- crease of sur- plus or Deficit, July 1, 1877.
MISSOURI CO'S.			
American Central,	\$202,845	\$200,239	6,394
Citizens,	122,103	131,457	9,354
Franklin,	51,083	40,468	-10,615
Jefferson,	29,242	23,350	-5,892
Lafayette,	6,320	2,024	-4,296
Marine,	-9,219	33,193	42,412
Merchants,	33,608	24,171	-9,437
Pacific,	12,054	4,458	-7,596
Phoenix,	30,101	13,547	-48,648
St. Jos. Fire & Marine,	106,780	88,516	-18,264
St. Louis,	1,149	6,244	5,095
FOREIGN CO'S.			
Commercial Union,	434,175	376,850	-57,325
Hamburg-Bremen,	482,849	491,630	8,781
Imperial,	642,304	562,219	-80,085
La Caisse Generale,	242,220	221,708	-20,512

Lancashire,	217,947	235,878	-407,472
Liv'l, London & Globe,	2,288,056	1,890,584	-407,472
London Assurance,	678,484	664,412	-14,072
North British and Mer.,	986,759	832,454	-104,305
Northern,	401,701	332,280	-69,421
Queen,	898,321	906,432	8,161
Royal,	1,366,658	1,062,702	-303,956
Scottish Commercial,	436,151	340,178	-95,973

COMPANIES OF STATES OTHER THAN MISSOURI.

Adriatic, N. Y.,	40,350	43,396	8,040
Ætna, Hartford,	1,945,236	1,471,700	-473,536
Ætna, N. Y.,	56,106		
Agricultural, Watert'n	189,325	79,928	-9,397
Allomannia, Pittsb'h	38,342	31,860	-6,482
Amazon, Cincinnati,	18,011	-1,349	-19,960
American, Chicago,	232,059	252,728	20,669
American, Newark,	609,326	543,566	-61,260
American, Philadel'a	371,060	359,294	-11,766
Amity, New York,	5,245	127	-5,118
Arctic, New York,	11,785	2,901	-8,884
Atlantic, Brooklyn,	109,187	85,685	-23,502
Atlas, Hartford,	9,498	41,513	-51,011
Aurora, Cincinnati,	64,031	59,732	-4,299
Ben Franklin, Penn.,	228	-1,271	-1,499
Boatmans, Penn.,	21,447	23,658	2,211
Boylston, Mass.,	172,512	161,422	-11,090
Buffalo, New York,	67,118	76,620	9,502
Buffalo German, N. Y.,	338,069	334,654	-3,415
Citizens, New Jersey,	-35,545	-46,174	-10,629
Citizens, New York,	490,053	481,400	-9,103
City, Pennsylvania,	22,349	25,100	2,751
City, Virginia,	3,350	4,872	1,522
Commerce, New York,	13,376	1,041	-12,335
Commercial, New York,	170,185	184,226	14,041
Commercial, Virginia,	1,278	-7,632	-3,910
Commonwealth, Mass.,	55,230	13,372	-41,858
Connecticut, Conn.,	183,974	181,822	-2,152
Continental, New York,	844,015	902,901	58,886
Cooper, Ohio,	48,292	52,164	3,872
Detroit, Michigan,	162,472	164,196	1,724
Eliot, Massachusetts,	131,090	129,574	-1,516
Equitable, Tennessee,	6,502	20,766	14,264
Exchange, New York,	133,458	118,588	-14,870
Fairfield, Connecticut,	34,923	32,684	-2,239
Fame, Pennsylvania,	38,397	-32,321	6,676
Faneuil Hall, Mass.,	2,266	-472	-2,738
Farmville, Virginia,	1,465	-10,407	-11,872
Farragut, New York,	159,232	159,735	503
Fire Association, Phila.,	847,479	440,287	-407,192
Firemans Fire, Mass.,	223,218	245,537	22,369
Firemens, New Jersey,	429,053	443,262	19,209
Firemens, Ohio,	77,787	74,885	-2,902
Firemans Fund, Cal.,	102,192	102,581	389
Firemens Fund, N. Y.,	17,189	11,881	-5,308
Franklin, Ohio,	79,864	28,085	-51,779
Franklin, Pennsylvania,	766,730	639,677	-127,053
German, Illinois,	100,001	93,081	-6,920
German, Pittsburgh,	202,445	110,854	-91,591
Germania, Ohio,	39,154	24,397	-14,757
Germania, Louisiana,	12,223	17,290	5,067
Germania, New York,	694,800	638,325	-56,475
Germania, New Jersey,	6,034	4,077	-1,957
German-American, N. Y.,	651,838	642,536	-9,252

German-American, Penn.	13,273	3,397	-9,877	St. Nicholas, N. Y.,	59,561	60,478	917
Girard, Pennsylvania,	420,488	409,580	-10,908	Security, Conn.,	50,798	51,026	833
Glens Falls, N. Y.,	309,480	336,622	27,142	Shawmut, Massachusetts,	-17,190	1,038	18,237
Globe, Ohio,	31,505	31,636	131	Shoe & Leather, Mass.,	131,337	131,092	655
Granite, Virginia,	10,114	3,915	-6,199	Springfield, Mass.,	252,134	231,159	-20,975
Guaranty, New York,	11,484	-10,837	-22,321	Standard, New Jersey,	2,661	5,017	2,356
Hanover, New York,	509,393	496,222	-13,171	Standard, N. Y.,	168,250	154,516	-13,734
Hartford, Connecticut,	1,100,550	627,332	-473,218	Star, New York,	157,998	151,084	-6,914
Hartford St'm Boil'r, Conn.,	34,539	39,530	4,991	St. Paul, Minn.,	217,990	153,689	-64,307
Hoffman, N. Y.,	105,086	114,815	9,129	Sun, Pennsylvania,	19,047	1,653	-17,394
Home, New York,	1,002,784	1,041,490	38,706	Toledo, Ohio,	9,304	1,323	-8,036
Home, New Jersey,	14,272	2,693	-11,579	Trade, New Jersey,	28,595	20,500	-8,095
Home, Ohio,	114,071	55,108	-58,963	Traders, Illinois,	181,951	152,263	-29,688
Howard, New York,	190,623	185,411	-5,212	Tradesmen, New York,	192,719	180,941	-2,778
Humboldt, New Jersey,	12,153	13,595	1,442	Union, Pennsylvania,	52,671	22,206	-30,465
Ins. Co. N. Am., Pa.,	2,366,372	2,103,810	-262,566	Union, Texas,	16,943	19,074	2,131
Ins. Co. State Pa., Pa.,	181,587	157,190	-24,397	Virginia, Virginia,	136,538	168,067	32,129
Kenton, Kentucky,	30,673	30,279	-394	Washington, Mass.,	212,458	184,823	-27,635
Kings County, N. Y.,	204,836	196,551	-8,285	Watertown, N. Y.,	64,755	44,506	-20,249
Lamar, New York,	132,772	111,725	-21,047	Westchester, N. Y.,	201,500	216,140	14,640
Lancaster, Pa.,	65,848	63,883	-1,965	Williamsburg City, N. Y.,	406,824	415,936	8,312
Lorillard, New York,	110,327	93,167	-17,160				
Manayunk, Pa.,	10,531	3,518	-7,013				
Manhattan, N. Y.,	307,142	327,770	20,628				
Manufacturers, Mass.,	297,809	264,510	-33,299				
Manufacturers, N. J.,	20,602	7,057	-13,545				
Mechanics & Traders, N. Y.	315,907	295,354	-20,553				
Mercantile, Ohio,	126,228	87,459	-38,769				
Mercantile Fire, N. Y.,	65,818	61,270	-4,548				
Mercantile Mutual, N. Y.	193,723						
Merchants, N. J.,	500,897	305,255	-195,642				
Merchants, R. I.,	83,216	69,919	-13,297				
Merchants & Mechanics, Va.	20,375	12,305	-8,070				
Meriden, Conn.,	30,155	14,377	-15,778				
Mississippi Valley, Tenn.,	13,158	13,563	405				
Mobile Fire Dept., Mob.,	11,129	-35	-11,164				
National, Conn.,	325,270	270,173	-49,103				
National, New York,	132,342	118,106	-14,236				
Neptune, Mass.,	128,288	148,064	20,376				
Newark City, N. J.,	41,899	26,558	-15,341				
New Hampshire, N. H.,	94,925	107,336	12,411				
New York City, N. Y.,	22,631	12,158	-10,473				
Niagara, New York,	506,937	490,964	-15,973				
Northern, New York,	43,568	47,929	4,361				
Northwestern Nat'l, Wis.,	70,513	25,535	-44,978				
Orient Mutual, N. Y.,	193,179	9,781	-183,398				
Orient, Conn.,	103,538	65,264	-38,274				
Pacific Mutual, N. Y.,	39,593	-69,235	-108,828				
Pennsylvania Fire, Phil.,	512,783	512,784	000				
Pennsylvania, Pittsburgh,	24,855	29,185	4,260				
Peoples, Newark, N. J.,	98,097	82,363	-15,734				
Peoples Fire, Trenton,	177,428	135,116	-42,312				
Phenix, New York,	886,346	745,276	-141,070				
Philadelphia, Pa.,	7,691	3,898	-3,793				
Phenix, Connecticut,	532,251	439,734	-92,518				
Prescott, Mass.,	84,903	83,138	-1,855				
Reading, Pennsylvania,	41,083	47,426	5,743				
Resolute, New York,	3,895	-5,041	-8,936				
Revere, Massachusetts,	19,704	2,594	-17,110				
Richmond Fire Ass., Va.,	-3,503	-21,420	-17,917				
Rochester German, N. Y.,	57,063	43,597	-13,466				
Rockford, Illinois,	230,813	69,480	-161,333				
Roger Williams, R. I.,	5,117	5,722	605				
Safeguard, N. Y.,	148,716	131,672	-17,044				

Editorial Correspondence.

SAN DIEGO, Sept. 27, 1877.

The City of San Diego, the *prospective* metropolis of the Southern part of California, is picturesquely located east of San Diego Bay, and within fifteen miles of Mexican territory. The corporate limits comprise about twenty miles in length, and about five to eight miles in width; but fifteen miles of the northern portion, including what is called the Old Town, are sparsely populated, and except the gin-mills, present to the hurried glance of the traveler few present indications of civilized existence. The principal inhabitants of this locality are digger Indians, jack-rabbits and democrats, and as may be supposed from the characteristics of two of these components, the sale and consumption of whisky are the principal elements of commercial and animal life. San Diego proper contains about 3,500 inhabitants, and is destined to become a city of considerable magnitude. By Act of Congress, this favored spot has been proclaimed the terminus of the Texas & Pacific Railroad, and it is believed here that the next Congress will take measures to ensure the completion of the road. In this view, of course, there are not wanting extravagant predictions in regard to the growth of the city and the increase in the value of property; but with all deductions for these exaggerated notions, there is every probab-

ity that with the success of the railroad project San Diego will assume the importance of a metropolitan city.

The insurance situation does not offer much encouragement to fire underwriters, and from the best information that could be obtained by the writer, he is inclined to think that with the present facilities for extinguishing fires, it is safe only to take small lines well scattered. The principal structures, like those of all California towns, are of wood, but there are several brick buildings of substantial appearance. On Fifth Street, the chief business locality, are many frame ranges, which we presume are insured at *adequate* rates. One of the objectionable features is the number of unoccupied buildings. San Diego, however, has hitherto been exceptionally free from fires, and it speaks well for the moral hazard of the place that there has been no incendiarism. Other favorable points are, in the laying out of the streets and the infrequency of strong winds. These generally blow from the West, and as the streets run North and South, the difficulty of controlling the flames of an extensive conflagration would be vastly diminished, and with an efficient fire department, and with the full utilization of the present supply of water, there would be no reason to place San Diego, in regard to its fire record, below the condition of the most favored localities. Its water works are now in good order, but the city authorities will not expend the sum that is necessary for the proper efficiency of this department.

The principal source of water supply is the San Diego River, and the reservoir is located about five miles from the town. An elevation of 400 feet gives ample pressure. Besides, there is another reservoir about half a mile from the business center. This is always kept full, and is reserved for cases of emergency. The capacity of each is 40,000 gallons; and Mr. H. M. Culvert, the Superintendent, informed the writer that the pumping facilities were at the rate of 30,000 gallons per hour. There is a 5-inch main running through Fifth, K, Ninth, D, and a portion of Eleventh Streets. The mains

were made and laid with a view to attaching them to fire-plugs, and all that is now necessary is for the city authorities to make the attachments and furnish a few feet of hose. In the absence of these simple appliances, the value of the water-works, as a means of fire extinguishment, is completely nullified, except in the use that might be made of private hose. Of course, these would be inadequate even for an ordinary fire.

The fire department is of about as little force as the water appliances. It consists of one hook and ladder company, and one hose company, with a hose-cart, and 600 feet of hose.

The insurance interests are well represented, there being 15 agents, each doing a little business. Their names, and the companies represented, are:

D. B. Bush.....	Home Mutual, North Western, National, Amazon, and Fairfield.
E. W. Morse.....	Home, of N. Y.
W. R. Porter.....	Royal Canadian, South British, and California.
G. B. Hensley.....	L. & L. & Globe.
D. Choate.....	Etna, of Hartford.
P. P. Arnold.....	Union, of S. F.
R. L. Wright.....	Hartford.
Joe Favre.....	Glens Falls, Northern, of N.Y., British America, and St. Louis.
J. M. Haight.....	Commercial, S. F.
H. H. Doherty.....	Imperial, Northern, and Queen.
C. A. Shephard.....	London Assurance, and Western, of Toronto.
D. C. Reed.....	Fireman's Fund, and North British.
H. H. Deherty.....	State Investment.
M. Keating.....	French Corporation and Lycoming.
S. Stasler.....	Hutchinson & Mann's Agencies.

J. G. E.

The New York Safety Fund Law.

This law, to which allusion was made in our notice of the Glens Falls Insurance Company in this issue, was passed by the Legislature of that State on April 16th, 1874, and has been the subject of much comment, principally of a favorable character, by the insurance and general Press of the Eastern States. The object of the law is to create special funds for protection in the event of

extraordinary fires. Its preliminary provisions are not in any way compulsory, and each company may enter under its regulations or remain independent of it, according to such company's option. This is the substance of Section 1.

Section 2—Provides that any company desiring to come under the operations of the law, shall divide its net surplus equally into a Guaranty Fund and a Special Reserve Fund, and from and after the recording of such division, all policies shall be issued in accordance with the Act.

Section 3—Enacts that after the date of such record, such company shall not pay any dividends upon its capital stock exceeding 7 per cent. per annum "thereupon and upon the surplus funds to be formed hereunder," until the Guaranty Fund and the Surplus Fund shall have together accumulated to an amount equal to the capital stock. The surplus profits, after the payment of such dividends, are to be equally divided between the Guaranty Fund and the Surplus Fund.

Section 4—Defines the Guaranty-Surplus as a fund to be applicable to the payment of general losses in the same manner as the capital stock.

Section 5—Requires that the Special Reserve Fund shall be deposited with the Insurance Department. This section defines this fund as a special reserve for the protection of policy-holders, *other than demands for losses already existing or "then incurred"* in case of extraordinary conflagrations, as hereafter mentioned.

Section 6—Prescribes the mode of estimating profits for the purpose of making the division between the Guaranty Fund and the Special Reserve Fund.

Section 7.—An extraordinary conflagration within the meaning of the Act is one whereby the loss to the company exceeds its capital stock and guarantee surplus. In this case, the special reserve and an amount equal to the unearned premiums shall be held for the protection of policy-holders other than claimants by such extraordinary fire, or by previous losses; and for the further conduct of the business. The capital stock and the

guarantee surplus being then divided proportionally among the claimants, for loss, they would be forever debarred from claiming further against the company.

The further provisions of this section relate to the transfer of the Special Reserve Fund from the department to the company after such a conflagration as has been described, and to the requirements on the stockholders in the event of this fund being 50 per cent. less than the capital stock.

Section 8.—In the absence of extraordinary conflagration the company may draw on the Special Reserve Fund to make good such impairment of capital as would otherwise render it necessary to call on the stockholders. In conclusion, it prohibits any company doing business under the Act from insuring a larger amount in a single risk than is permitted by law to a company possessing the same amount of capital, irrespective of the funds provided for in the premises.

[San Francisco Correspondence.]

The Danger from Mortgage Insurances.

The very interesting question of liability, as presented to the *Monitor* by a Galveston adjuster recently, invites the attention of everybody engaged in fire underwriting, and, if possible, some plan must be devised whereby double insurances on the same property (or interests) may be avoided or made uncollectable in so far as to avoid over-payments. The case in question is about as follows:

A. mortgages his house, valued at \$5,000, to B. Both insure in the sum of \$5,000 in two separate companies, one as owner, the other as mortgagee. The question is, can both recover on their interests? Ordinarily the companies might avoid the perplexities of the situation by resort to their replacement privileges; but under the fire ordinances of Galveston, the building, being of frame material, *could not be rebuilt*, and hence the intricate problem of dispensing the liability of the two policies. There can be no legal doubt but that there are two separate and distinct insurable interests involved, *i. e.*,

that of the owner and that of the mortgagee. Moreover, one is not additional insurance to the other, and either would be debarred from presenting in evidence the existence of the other policy, unless the mortgagor paid for the insurance by the mortgagee, in which event the owner's interest would certainly have been already provided for in the amount collectable by mortgagee, and these facts could be set up to disprove the owner's claim for loss in excess of his actual interest. It is easily seen how great are the inducements for collusion between mortgagors and mortgagees in such cases, and how fraud may override justice by a decidedly easy and comfortable route, until at last we are favored with a law or authorities divested of present perplexities, inconsistencies, and uncertainties. The *Monitor* suggests that a contract for insurance is a contract of indemnity, and not one of profit, and this would be accepted in the pleadings of each party to a suit on either policy. The owner would contend that his property, worth \$5,000, was destroyed. It could not be successfully maintained that his interest was not \$5,000 in the destroyed property. The mortgagee would also aver that his security was gone, and, furthermore, that his prospective interest in sooner or later coming into possession of the property (which he considered valuable) by foreclosure, was even a greater loss than the destruction or diminishing of the securities, and both policies would consequently be collected.

As inconsistent as it may appear, the mortgagee could then demand and require the satisfaction of his mortgage from the mortgagor, unless he had by collusion compromised the action in order to collect the insurance. The extravagant proposition of the *Monitor*, that a dozen subsequent mortgages would be collectable under such circumstances, is not tenable. The idea of second mortgages is not, in commercial circles, a security worth the expense of getting, unless the *margin actual exists*; if it does exist, why is it not insurable?

The remedy would seem to lie with the companies themselves, *in refusing to insure*

mortgage interests. Most companies already do so; but, in the face of the following decision, it will be seen even *that* prevention falls short of the mark, as there is nothing to prevent the assignee taking out a subsequent insurance, and establishing a legal claim for indemnity, in case of loss:

"The mortgagor covenanted to keep the premises insured for benefit of mortgagee.

Held, The mortgage being recorded, the covenant drew to it the contract of insurance, which ran with the land, and was a notice to creditors. No subsequent assignment could affect the rights of the mortgagee, and an assignment of the policy was, therefore, unnecessary. *In re Sands Ale Brewing Co.*, 3 Biss., 175."

Of course, the interest of mortgagor in the property, in such a case as this, could be easily proven and shown up; and, after all, the remedy approximates a safeguard which all our companies would do well to accept and adhere to. Before closing this article, some condition or stipulation should be inserted in every policy of insurance, looking to a limit of liability where the loss is actually increased by the fire ordinances of municipalities. The line should be drawn exactly where the damage by fire ceases, and the town authorities made to indemnify private citizens for the loss occasioned by the exactions and requirements of their city laws. To our manner of reasoning, this is as collectable as any damage claim ever presented and paid by municipal governments for the necessary damage to private property by confiscation or otherwise, in improving or making more secure the condition of the whole general public.

OCCIDENTAL.

The Glens Falls Insurance Company.

This company, which is very favorably noticed by some of our Eastern exchanges, presents us with an exhibition of financial solidity. On the 31st of July, 1877, by actual examination of the Insurance Department of the State of New York, it had available assets amounting to \$833,316.19.

Of these, nearly \$350,000 was in registered bonds of the United States, and about \$90,000 cash. The loans on bonds and mortgages were about \$350,000. The liabilities, including \$287,456.44 for re-insurance reserves, and \$200,000 capital stock—amounted to \$513,316.19. There is therefore a net surplus of \$320,000, and a surplus as regards policy-holders of \$520,000. The net surplus is equally divided into a Guaranty Surplus Fund and a Special Reserve Fund, under the provisions of the New York Safety Fund Law, which is explained in another part of this issue. This law, which is intended to provide security against extraordinary conflagrations, is not compulsory in the character of its preliminary provisions, and each company may record under its operations or not, as such company sees fit. The adoption of its regulations by the Glens Falls is, therefore, voluntary.

It affords us much pleasure to say that this company has always maintained an excellent reputation throughout the country. The management of the Pacific department is in the able hands of Messrs. Potter, Jacobs & Easton.

The Fire Association of the Pacific to their Brethren of the North West—Greeting.

Immediately after the last regular meeting of this association, a special meeting was organized for the purpose of telegraphing a complimentary greeting to the Fire Underwriters' Association of the North West, which commenced its session on the 19th of September. On motion of Mr. Bromwell, the following telegram was drafted and despatched:

SAN FRANCISCO, Sept. 19, 1877.

Major C. E. Bliven, President Association of the North West—Greeting:

The Association of the Pacific send greeting to their brethren of the North West, and beg to express the hope and belief that the practical good judgment which has already characterized the councils of the Association of the North West, will, at this juncture, result in great good to the profession generally.

By order of the Association of the Pacific.

GEO. D. DORNIN, President.

J. W. STAPLES, Secretary.

The telegraphic reply that was elicited is as follows:

To Geo. E. Dornin, President:

The Association of the Northwest cordially acknowledges and reciprocates the professional greetings of their sister convention of the Pacific Coast. So far, yet so near! May God bless them!

C. E. BLIVEN, President.

GEORGE W. HAYES, Secretary.

Fire Underwriters' Association of the North West.

SECOND DAY'S PROCEEDINGS.

Since our article on the first day's proceedings of this Association was in type, we have received a report of the adjourned meeting, which was held on the 20th of September. The interest that pervaded the deliberations and addresses of the first day is not abated; and the whole proceedings will form a record which cannot fail to command the attention not only of the profession but of the public in general. After some preliminary business, a very able paper on Fire Underwriting in England was read by Mr. Henry Robertson. "The Current Form of Policy," written by Mr. David Beveridge, Manager of the Niagara Insurance Company, was then submitted to the meeting, and ordered to be printed. A paper on the same subject by Mr. George P. Coale of Baltimore, was read by the Secretary. The subject of Incendiarism, which crime is assuming such portentous dimensions, engaged a considerable portion of attention; and a masterly paper, entitled "Legislation to Prevent Incendiarism," was read by Mr. John O. Wilson. This document is replete with statements of facts not only interesting but startling, and also suggestions that evince deep thought and considerable aptitude for philosophic analysis. A lengthy discussion followed the reading of this treatise, during which many

valuable opinions were elicited, especially in regard to the "three-fourths clause" in policies, which formed the principal topic in Mr. Wilson's suggestions. The skill in arrangement of matter, and the felicities of literary style which mark the addresses delivered before the Association, speak well for the culture of the writers, and might pass for the productions of professional literature.

Arizona Insurance Law.

It is to be hoped that among the young communities that are growing up as part of the national organization, some one of them will be found to abjure the fiscal errors that have disfigured the primary statute books of older legislation. Arizona has missed the opportunity of making an original record in this respect, by retaining in her insurance law one of those obnoxious imposts which have proved ineffectual either for the purpose of revenue or the promotion of local prosperity. The tax of one and one-half per cent. on the premiums received by outside insurance companies, will give little to the treasury of the Territory, as the majority of those companies will not seek a locality where they are subjected to special taxation. It may be said that this tax will be borne, as it ought to be, by the policy-holders, but experience has demonstrated that a small tax placed on a business in which there is much competition, does not fall on the customer or vendee. The better class of companies, having "all the world before them where to choose," will give Arizona a wide berth, and the property-owners of that Territory will be left to such security as can be furnished by native resources, or to the mercy of those outside concerns which place all premiums under the head of profit. Young States and Territories will learn, after a time, that the protection of substantial companies from the older States or foreign countries, is a thing to be invited by liberal and encouraging provisions, and that such companies will not submit to be classed for the purposes of taxation, or for any other purpose, with gin-mills, faro dens,

and hurdy-gurdy shops. The text of the Insurance Act is as follows:

AN ACT

Concerning Insurance Companies organized without this Territory.

Be it enacted by the Legislative Assembly of the Territory of Arizona:

SECTION 1. It shall not be lawful for any agent of any Insurance Company not incorporated under the laws of this Territory to transact the business of insurance within this Territory, unless the insurance company shall have first obtained a certificate of authority from the Territorial Treasurer, which certificate shall be issued to such agent upon his filing with said Treasurer a statement under oath showing:

First. The name and locality of the company.

Second. The amount of capital stock.

Third. The capital stock paid up.

Fourth. The amount of its accumulation, and assets and liabilities.

Fifth. Surplus as to policy-holders.

Together with a written agreement under seal of the company, signed by the president and secretary thereof, and agreeing on the part of the company that service or process in any civil action against such company may be made upon any agent of the company in the Territory, and authorizing such agent, for and in behalf of such company, to admit such service or process on him, and agreeing that the service of process upon any such agent shall be valid and binding upon the company as if made upon the president or secretary thereof.

SEC. 2. The statement referred to in section one shall be renewed annually in the month of March of each year. The first statement may be made any time.

SEC. 3. Upon filing said renewed statement, the agent shall also file therewith a statement under oath of the sum total of the premium receipts collected within the Territory, for the period elapsing since the filing of the previous statement, and shall cause such statement to be published in at least one newspaper published within the Terri-

tory, and thereupon the Treasurer shall levy a tax of one and one-half per cent. upon said premium receipts, which shall be paid by said agent to said Treasurer before said certificate of authority can issue; the said tax to go into the general fund of the Territory, and which said tax shall be payment in full of all demands for any tax on said premium receipts, or license for conducting such business of insurance.

SEC. 4. Any person or firm in this Territory who receives or receipts for any money on account of, or for any contract of insurance made by him or them, or for any such insurance company or individual aforesaid, or who receives or receipts for money from other persons, to be transmitted to any such company or individual aforesaid, for a policy of insurance or any renewal thereof, although such policy of insurance is not signed by him or them as agent or agents of such company, or who in any wise directly or indirectly makes, or causes to be made, any contract or contracts of insurance for, or on account of such insurance company aforesaid, shall be deemed to all intents and purposes an agent or agents of such company, and shall be subject and liable to all the provisions, regulations and penalties of this act.

SEC. 5. The Territorial Treasurer shall be entitled to the following fees herein: For filing statements mentioned in section one, five dollars; for issuing certificates of authority, five dollars; for issuing each subsequent certificate of authority to other agents of the same company, two dollars.

SEC. 6. Any person violating the provisions of this Act within this Territory, shall, upon conviction in any court of competent jurisdiction, be fined in any sum not exceeding one thousand dollars, or imprisoned in the county jail not more than six months, or both, in the discretion of the court.

SEC. 7. All Acts and parts of Acts in conflict with any of the provisions of this Act are hereby repealed.

SEC. 8. This Act shall take effect and be in force from and after its passage.

Approved February 9th, 1875.

The Odd Fellows' Bank and The Coast Review.

The article in the August number of *THE COAST REVIEW*, announcing the practice of officers of savings banks receiving commissions on policies of insurance effected for the benefit of the company, aimed at an evil which exists, and concerning which there can scarcely be two opinions. The article has had the effect to cause the directors of various savings banks to closely inspect their insurance lists, and in many instances to make changes therein. In connection with the evil of which we complained, we mentioned the name of Mr. Bloch, President of the Odd Fellows' Savings Banks. His name was mentioned, because we had conclusive evidence in our possession that the sub-agents and officers of that bank have received commissions on insurance effected on mortgaged property for the benefit of the bank; and as Mr. Block was the chief executive officer of the bank, and presumably conversant with its affairs, and as by the by-laws of the bank it is made his duty to report to the directors every dereliction of duty on the part of any officer or employee, we not unnaturally concluded that the practice of the officers of the bank in this respect was known to and approved of by Mr. Block, and was not considered by him a dereliction of duty.

We think that presumption *legally* follows the premises—certainly it does so naturally. Mr. Block has caused the editor of this journal to be indicted for libel for the publication in question. We are glad to accept his action as a public expression of his opinion of the turpitude of the practice we have condemned, and of his indignation that any person connected with the bank of which he is president should be guilty of it, and at the same time we accept it as a disavowal by Mr. Block of any personal participation in practice or knowledge of it until it was brought to his notice by *THE COAST REVIEW*.

We notified Mr. Block previously to the indictment—which was obtained in our absence—that on our return to the city we would furnish him with information in re-

gard to the officers of the bank who had received commissions on insurance, and we will give such information to the public in general at the proper time.

The commissions which have been received are legally the property of the mortgagors, and we have no doubt that Mr. Block's sense of justice will lead him to a thorough investigation, and result in the proper credits on the accounts of business from his bank.

Facts and Figures.

[Compiled from statements made at the meeting of the Fire Underwriters' Association of the Northwest.]

There are now in existence in the United States 981 fire companies, viz.: 479 stock, and 502 mutual.

From the earliest period of the national history to the present time 4000 insurance companies have organized to do business in this country.

From 1791 to 1859, the fire insurance business not only paid no profit, but made a large loss of capital.

The fire insurance business of America gives employment to 25,000 persons.

The contingent liability of all the fire insurance companies in the United States is estimated at \$10,000,000,000—a sum exceeding the value of all the real-estate, according to last census. It exceeds the aggregate of the funded debt of the general government of all the States and cities and of all the railroads in the country. This liability is being discharged at rate, which during the average lifetime of persons of middle age, would form a sum almost as large as the debt of the general government.

The losses for 1876 were nearly \$64,000,000, of which \$34,000,000 was lost by the insurance companies.

The percentage of loss on the taxable value of property in the United States is larger than the interest on the national debt.

During the past century the average failure of insurance companies has been one in two weeks.

In a list of 500 insurance companies, 11 are worthless; 14 insolvent; 8 with less than

\$1,000 net surplus; 19 with less than \$5,000; 18 with less than \$10,000; 34 with less than \$15,000; and 15 with less than \$20,000.

In the United States, a fire breaks out every hour in some part of the country. The daily loss is about \$300,000. Ineendiarism, in this country, destroys \$25,000 worth of property per annum.

—THREATS TO BURN CHINATOWN IN NEVADA CITY.—The *Transcript* of the 26 ult. says: "During the past two weeks several persons have received anonymous letters of a threatening character, and the statement is also made in them that Chinatown will be burned. The last letter shown us was sent to a gentleman who has been quite active in having Chinatown closely watched every night, so that no fire-fiend would have an opportunity to escape in case he attempted to apply the torch. The letter says, 'if he don't cease his exertions in that direction, and if he exposes this letter (signed 1,001), he will be riddled with bullets.' Now the author of that letter knew, when he was writing it, that he was performing a cowardly act. Brave men never do anything of the kind—such acts are only done by assassins. Let '1,001' attempt to put his threat into execution and he would not live a minute after he attempted the job. We know there is no danger from such a source, and further, that the party who received the last letter does not feel alarmed in the least, and only wishes that he could meet the man who wrote it face to face. He desires it to be known publicly that he has exposed the contents of the letter. Now it is in order for the anonymous scribbler to come forward and try to perform his part of the job, as he threatened."

—As we close our last form of this issue, the following dispatch comes from the city of New York: "The insurance agency of Alliger Brothers of this city is in default about \$135,000 with the Commercial Assurance Company of England. The agency is indebted to other companies, but for small amounts. The Commercial Union Company has taken complete possession of the agency, its books, accounts, cash, etc., and is temporarily conducting its business."

CHIPS.

August—Sutter Co.; dwelling.	
Hartford.....	\$1,500
Sept. 1—Sutter Creek; dwelling.	
California Farmers'.....	\$1,188
Sept. 1—Sacramento; furniture in dwelling.	
New Zealand.....	\$500
Sept. 2—Natoma St., S. F.; barn.	
Royal Canadian.....	\$500
Sept. 2—Auburn; buildings on S. E. side Sacramento Street; supposed incendiarism.	
Northern.....	\$3,500
New Zealand.....	800
Faneuil Hall.....	1,200
Home, N. Y.....	620
State Investment.....	5,000
Commercial.....	5,000
Liverpool & London & Globe.....	4,650
Western, Toronto.....	1,000
Sept. 3—Smartsville; dwelling and stable.	
Liverpool & London & Globe.....	\$400
Sept. 3—Walnut Grove; barn.	
Phoenix, Hartford.....	\$700
Sept. 5—New Chicago, Amador Co.; frame building.	
Commercial Union.....	\$1,200
Sept. 5—Sacramento; slaughter house.	
Home Mutual.....	\$1,105
Sept. 8—Oakland; frame building.	
Commercial Union.....	\$1,450
Sept. 10—Dutch Flat, Placer Co.; several buildings, including Chinatown; stocks in brick buildings.	
Faneuil Hall.....	\$2,000
Citizens', St. Louis.....	2,000
Sept. 11—Cherokee Flat, Butte Co.; dwelling and furniture.	
Insurance Co. of North America.....	\$885
Sept. 12—Colusa; barn; supposed incendiarism.	
California Farmers'.....	\$2,600
Sept. 13—Los Angeles; dwelling.	
Home Mutual.....	\$450
Sept. 13—San Mateo; dwelling.	
New Zealand.....	\$1,025
Sept. 14—Wilkey St.; dwelling and contents, and stable.	
Liverpool and London and Globe.....	\$451
Sept. 14—Nevada City; dwelling; defective flue.	
North British and Mercantile.....	\$700

Sept. 14—Jacinto, Colusa Co.; merchandise in brick building; incendiarism.	
Liverpool and London and Globe.....	\$266
Commercial Union.....	183
Sept.—Near Oroville; merchandise.	
Western, Toronto.....	\$1,660
Sept. 16—Oroville; Chinese store.	
Manufacturers'.....	\$500
Security.....	500
Sept. 16—San José; oils and paints.	
Home Mutual.....	\$150
New Zealand.....	150
Sept. 18—Corner Eighteenth and Market streets, Oakland; barn; supposed incendiarism.	
Imperial and Queen.....	\$300
Sept. 18—Alvarado; hotel furniture.	
State Investment.....	\$1,000
Home Mutual.....	725
Sept. 18—Cherokee Flat; merchandise.	
Liverpool & London & Globe.....	\$3,500
Sept. 21—San José; dwelling and contents.	
Liverpool & London & Globe.....	\$800
Union.....	420
Sept. 21—Eureka, Humboldt Co.; dwelling.	
Home, New York.....	\$600
Sept. 22—South San Francisco; tannery.	
California Farmers' (building).....	\$719
New Zealand (stock).....	409
California.....	409
Berlin-Cologne.....	1,500
Sept. 22—Ross' Landing; merchandise.	
Firemons' Fund.....	\$2,500
Sept. 22—Potrero; dye house, belonging to Messenger & Co.	
Hamburg-Magdeburg (building).....	\$1,200
Svea (stock).....	2,000
Helvetia.....	1,000
Guardian.....	1,000
Continental.....	1,000
New Zealand.....	1,000
Westchester.....	1,000
Franklin, St. Louis.....	1,000
Jefferson.....	1,000
Northern, New York.....	1,000
Sept. 23—Santa Cruz; dwelling.	
Ætna (building).....	\$3,200
Home, New York (furniture).....	800
Sept. 24—Sacramento; dwelling.	
Hartford.....	\$1,100

Sept. 24—Commercial street, San Francisco (coal oil lamp); furniture.

California Farmers'	\$1,000
California	300
New Orleans Association	600

Sept. 24—Clay street, San Francisco; oil cans, etc.

California Farmers'	\$295
---------------------------	-------

Sept. 24—San Francisco; dwelling.

Firemen's Fund	\$500
----------------------	-------

Sept. 24—No. 16 Natoma Street; frame building.

California Farmers'	\$803
---------------------------	-------

Sept. 25—King street, between Fourth and Fifth; S. F. and P. Glass Works, owned by C. Newman & Co.

Insurance Co. of North America (building) ..	\$513
American	513
Transatlantic (stock)	2,500
Lycoming	1,500
Amazon	1,500
Security	1,000
Manufacturers'	1,000
Peoples'	1,750
Union Marine	1,750
St. Paul	1,500
N. O. Association	750

Sept. 27—Dupont street; Chinese stores.

North British and Mercantile	\$175
Phoenix, Hartford	175
Home Mutual	97
Fairfield	112
Hoffman	112
Firemen's Fund	225

Sept. 28—Alameda; residence of H. Brener.

Firemen's Fund	\$900
----------------------	-------

Sept.—Springfield, Oregon; dwelling and furniture.

Phoenix of Hartford	\$750
---------------------------	-------

Sept. 30—San Leandro; barn and contents.

Home Mutual	\$1,600
-------------------	---------

—The loss on the Winnemucca fire referred to in our last report was settled for \$1,557.

—Harry Smith, special of the Liverpool and London and Globe, has been ill of malarial typhoid fever. We are glad to say that he is recovering.

—The affairs of the Phoenix Life Insurance Company, of Hartford, are being examined by the special legislative commissioners.

—Elizur Wright is out with a little book quaintly entitled, "Traps Baited with Orphan." "Oh, that mine enemy would write a book!"

—Paris, Mo., is one of the millionaire fires of the season. Paris must try some other road to celebrity; a million dollar fire is nothing now-a-days.

—The New Hampshire Life Deposit Bill provides that life companies, doing business in their State, shall keep a sufficient reserve in the State Treasury for the protection of their

—L. E. Alexander, of St. Louis, formerly a banker in that city, has been appointed receiver for the Columbia Life.

—The *Chronicle* comments on the efficacy of State supervision, by giving the names of sixteen companies carrying risks on Hall's piano factory, burnt in the great Thirty-fifth Street fire in New York, on the 5th September. All these companies were unauthorized to do business in the State.

—At Aurora, Illinois, a fire was caused by the rays of the sun reflected from the bottom of a milk-can, which had been exposed for purification. The fire was discovered in time to prevent damage to furnish this authentication of its cause.

—L. L. Munn, who has a handle of "Hon." to his name, L. M. Schofield, and A. A. Griffith, have been indicted for burning a watch factory at Freeport, Illinois. Munn and Schofield are proprietors of the Freeport gas-works, and Griffith is, or was, the president of a college.

—The city of Indianapolis is squabbling with its water-works—like our own, a private corporation. Pending the dispute the water will be shut off from the fire-plugs.

—"There is nothing new under the sun." The *Chronicle* (N.Y.), claims that the fire-extinguisher which was lately tested in San Francisco, and which is supposed by the "credulous people of that city" to be a novelty, is the invention of a German chemist, described by that wide-awake paper several years ago.

—The Empire Fire Insurance Company, of Wheaton, Ill., has been pronounced impaired.

—Mr. Blair, of Hart & Blair, Agents of the Scottish Commercial, is on a flying visit to Chicago.

—The American Insurance Company, of Chicago, has successfully passed the ordeal of an examination by the Departments of Illinois and Missouri.

—The resources of the New York city savings banks were, on the 1st of July last, \$202,668.81. The amount due to depositors was \$181,267,019. Since January 1st there has been an increase of 7,000 depositors, and of \$2,150,764 on the line of deposits.

—Paper is being manufactured from asbestos. This substance being incombustible, may be well adapted for important records. The invention comes from Italy, where the price of the paper is about forty cents per pound.

—At Santa Rosa on the 20th August, a daughter of Captain J. B. Beall (aged about eight years,) in endeavoring to kindle a fire with kerosene, set fire to the house, which was totally destroyed. She was fatally injured, and has since died. There was no insurance, and the family would have been destitute but for the kindness of the neighbors, who made up a purse for their temporary relief.

—The *New York Sun* proposes to hang up by the heels all the presidents and other officials of the swindling life insurance companies until they shall have disgorged their plunder. It has been remarked by some acute observer that "you cannot get butter from a dog's throat when he has licked it up." The adage is vulgar, but to the point.

—San Francisco insurance stocks are as follows:

	Bid.	Asked.
California.....	—	105
Commercial.....	—	92
Fireman's Fund.....	105	—
Home Mutual.....	70	75
State Investment.....	95	100
Union.....	110	112

—The proceedings in the Universal Life matter are suspended until November 17th.

—New York city paid about \$2,000,000 for damages done in the riot of 1863.

—Eastern reports of business and the ruinous cut-throat practices of underwriters should be sufficient to enthrone greater allegiance to our San Francisco Board, and induce every outsider to give support by immediate membership. A war of rates on this coast, if inaugurated, means "war to the knife," and a giving up of the ghost generally. How much longer can we stand prosperity?

—Next to the great political question as to success or failure of President Hayes' policy, is the conjecture among insurance men as to the action of our next Democratic Legislature on the subject of insurance, both fire and life. While we watch and pray, we opine that our hungry law-tinkers will spell their "pray" with an e.

—Mr. J. G. Edwards, after a two months vacation, will resume charge of affairs for the next issue of THE REVIEW. The assistant editor returns thanks for courtesies and valuable information received from the friends of the paper during his temporary management.

—The capital stock of the National Life Insurance Company of the United States, viz.: 10,000 shares, of the par value of \$100, is being offered for sale by Receiver Ward, of the Republic Life. This stock constitutes almost entirely the assets of the insolvent Republic.

—The Brewers' and Maltsters' Insurance Co., of New York, shows an impairment of capital to the amount of \$120,000. The Department has required the company to make it good.

—J. Solomon sues Faneuil Hall, Svea, and Transatlantic insurance companies, to recover on loss at Pine Flat, on 7th June, 1876. Amount claimed is about \$7,000. The defense is fraud and incendiarism. The case is now on trial in the Fifteenth District Court of this city.

—The fire year of Indianapolis records 189 fires; loss, \$112,321.92; insurances thereon, \$191,575.

—The number of incendiary fires continues to increase throughout the country generally. This is attributed to the discontent that exists among the working men.

—The New Orleans *Democrat* is responsible for the following statistics: In ten years there have been destroyed by explosive coal oils 15,000 lives, and \$20,000,000 worth of property.

—Mr. George Wilkinson, President of the Manufacturers' Insurance Co., of Newark, and Mr. Edward Hall, Agent of the North British and Mercantile, at Portland, Oregon, were among our visitors in September.

—The *Ætna* Fire Insurance Company, of Hartford, received from Boston the other day an envelope containing a \$10 bill, and these words: "A penitent Zaccheus sends \$10." Some conscience-stricken individual has probably concluded to "come down."
—*N. Y. Mail.*

—The history of the great fire in St. Johns, N. B., has been published in book form.

—The Commonwealth Life Insurance Co., which amalgamated with the New Jersey Mutual, in 1875, and was subsequently placed in the hands of a receiver, is entitled to receive \$100,000, deposited at Albany, N. Y., and is said to be solvent. The policy-holders of the Commonwealth who did not exchange into the New Jersey will not suffer. The Receiver of the Commonwealth is Thomas Moore.

—The Kansas agent of a fire insurance company (name not known to this deponent) has been trying his hand at a little "wrecking." Receiving from his principals \$1,974 to settle a loss, he represented to the insured that they were not legally liable, but had consented to compromise for \$500. The policy-holder took this sum in full quit-tance, but, subsequently discovering the fraud, reclaimed from the agent, who did not respond.

—The Supreme Court of Kansas has held

that the difference—\$1,474—is recoverable from the company, on the ground that this is one of the cases in which what is done by the agent is done by the principal. *Qui facit per alium, facit per se.*

—The Supreme Court of New York has decided that a policy-holder in a life insurance company is not a creditor within the meaning of the statute—*Belknap vs. North America Life Insurance Company.*

—Advices from Valparaiso state that the British ship *Wasdale*, from Liverpool, June 13th, from San Francisco, has been sunk by collision in the Pacific, and the crew landed at Valparaiso.

The *Wasdale* is an A 1 iron ship, belonging to the "Dale Line," bound from this port with a general Liverpool cargo, and consigned to Messrs. Balfour, Guthrie & Co.

The total loss will probably approximate \$250,000, most of which will fall on English companies, our underwriters being interested only to a limited extent.

—W. R. Thomas, for several years past the efficient agent at Redwood City for the Phoenix and Home Insurance Companies, emigrates to Oakland, Cal., leaving a host of friends who gave him a public entertainment recently to warmly express regrets over his change of base. Welcome, Bob!

—Messrs. L. L. Bromwell and Geo. W. Spencer combined business and pleasure last month, and did the adjusting of a dwelling-house loss and the sea-bathing at Santa Cruz in their customary thorough manner. They look all the better after the wear and tear.

—In the case of *Symonds vs. The Northwestern Life Insurance Company*, the Supreme Court of Minnesota has decided that failure to pay interest on premium notes does not invalidate any condition of the policy. It was held that the paying the cash part of the premium, and the giving of the premium note, completed the payment of such premium. The policy in question was a "ten-payment," on which there were outstanding six loan notes. The interest

had been paid regularly for six years, but afterwards became delinquent. A clause in the policy made the same stipulations in regard to interest as for premiums, but this was disregarded.

—An insurance company having to pay \$1,000 to an insolvent estate, purchased, for a small sum, a bond and mortgage given by the insured, and sought to set it off against the claim. It was held by the Supreme Court that an investment of the company's for the purpose of "set off" was illegal.

—The Amazon, of Cincinnati, has reduced its capital to \$300,000, and has carried \$200,000 to account of surplus. This movement does not in any way affect the security of the policy-holders. In view of the technical requirements of the insurance departments, the position of the company is strengthened by the alteration that has been adopted.

—The exasperated settlers of Washington Township, Alameda County, have organized a vigilance committee of thirteen, all leading citizens of the valley. The object is to punish the villains who have been burning property in that region. The *Independent* gives the particulars of the organization.

—The Board of Fire Commissioners has requested the Board of Supervisors to appoint the proper committee to act in conjunction with the Fire Commissioners in selecting lots on which to erect houses for the new companies recently formed.—*Oakland Transcript*.

—The stockholders of the Atlantic Mutual Life Insurance Company of New York declining to make up the constructive \$50,000 impairment of the reserve, Judge Westbrook, of the New York Supreme Court, has appointed Mr. Edward Newcomb receiver. Deciding for the appointment of a receiver, Judge Westbrook said: "I don't do this because I think the company is insolvent, or that it has been mismanaged." The company, through its counsel, Messrs. Barnes & Hanover, have appealed from the

order appointing a receiver. Argument on the appeal will be heard at the September general term.—*Exchange*.

—MIXED UP.—In the September number we stated that McKay and Somers were apprehended in Oakland, on a charge of incendiarism. The names should have been Mahoney and Shay. McKay and Somers were the officers who made the arrest. These gentlemen will please accept our apology and our commendation for their vigilance and promptness.

—A man named Moses has intervened, for some mysterious purpose, in the affairs of the Continental Life Insurance. What sort of a bird this Moses is, may be known from his bill, which measures 120 lineal feet by a carpenter's rule, and amounts to \$5,689.42. Moses, it seems, is a lawyer (probably of the vulture kind), who was employed by Stephen English, on principles of general philanthropy. The descendant of the great Law-giver charges \$100 for the mere making out of his account.

—The Supreme Court of Kansas does not impress the laic mind with an idea of its juridical profundity. That Court has decided that an agent of an insurance company whose business it is to solicit applications and receive the first premiums, has the right to waive payment in cash, and to accept a promissory note. If the law supposes that anything but chaos could come from such a practice, the law is, in the language of Mr. Bumble, "a hass and a hidiot."

—Our friends of the New Zealand Insurance Co. will please score one for this humane and liberal act, which we found recorded in a New Zealand paper. The particulars are as follows: The Kate Brain left Timaru for Auckland in March last, and is supposed to have foundered at sea. The captain had for many years insured his interest in her in the New Zealand, for the full value, viz., £500; but, unfortunately for his family, had reduced the insurance to £300 just previously to his last voyage. The company, however, besides paying the loss, presented

the captain's widow, who was in poor circumstances, with \$300. \$50 was also given to her by the manager, from his private funds.

—Mr. A. B. Forbes, general agent Continental Fire Ins. Co. of New York, and Mutual Life Ins. Co. of New York, has removed his office to 214 Sansome Street, up stairs, over Hall & Co.'s safe and lock store. Mr. F. has fitted up in good taste and convenient shape the whole of the second floor at the above-mentioned place. We welcome our friend Forbes to a point nearer the center of fire and life underwriting on the coast.

—The Underwriters, of Nashville, Tenn., will please receive our thanks for an invitation to attend an entertainment which was to be given, on the 6th of September, to the chief engineers of the fire departments of the United States. We regret that we were unable to attend, and shall be glad to receive a report of the revelries.

—The Humboldt Insurance Company insured the Oceanic House on Star Island, Isle of Shoals. The policy contained a condition that the house should be occupied by a family. A fire occurred subsequently which destroyed the house, and at the time there was no family residing there. Two men, however, slept in the house, but took their meals elsewhere. The Company contested the claim at law, on the ground that the condition before named had been violated. The case was decided at Boston, and it was held that the protection afforded by the residence of the two men was a sufficient compliance with the terms of the condition. Verdict for plaintiff.

—Now that the dog-days have been succeeded by the salubrious breezes of Autumn, our Eastern contemporaries are less rabid in their interchange of compliments. The lie is given and reciprocated only occasionally, and mutual charges of theft and burglary are comparatively scarce.

—At noon, last Monday, the bake-house connected with Mr. L. Probst's bakery, on Park street, was discovered to be on fire, and, upon the cry being raised, the fire bell

was rung, and Citizen Hook and Ladder Company promptly responded to the call. After a sharp fight, the fire was confined to the room in which it originated, and caused a damage of about \$50. There was an insurance on the property of \$1,200. This fire was a warning note of what we may look for at any time, and, had it obtained the control, would have swept away, before it could possibly have been stopped, upwards of \$50,000 worth of buildings and their contents; but, fortunately for us, we have a small fire to record instead of a sweeping conflagration.—*Alameda Encinal.*

—W. S. Gibbs, who was reported in our last as having gone to Mazatlan to prevent the condemnation of the brig *J. B. Ford*, which went ashore there, July 25th, returned here 23d inst., unsuccessful, having found it impossible to re-open the condemnation of the vessel, she having been condemned and sold, Aug. 17th, under authority from the Mexican Government, but against the protests of the American Consul and agent of the S. F. Board of Marine Underwriters.

At last reports the brig was afloat in the inner harbor of Mazatlan, with shoe-broomed, a few sheets of copper scraped off her bottom, and somewhat strained, but otherwise apparently but slightly damaged.

The only insurance upon the vessel is \$2,500 in Commercial; \$2,500 in State Investment, on a value of \$10,000.

—Chief Engineer Fuller ordered, with the consent of the City Council, some time since, five maps to be drafted by W. Boardman. Two are already completed. They show the location of all hydrants, water pipe mains, of various sizes, from three to fifteen inches; also, location of the fire cisterns and the four engine houses. The object of these maps is to show the firemen, on an alarm being given, the exact location of the nearest cisterns and hydrants. Where there are double or triple hydrants two or three engines can pump at the same hydrant. One of these maps will be suspended in each engine house, so that there will be no excuse for firemen to remain unfamiliar with the exact

location of each hydrant and cistern. At present it is all guess work, but after these maps are posted the firemen can repair to the exact locality of every hydrant and cistern without unnecessary delay. In the course of a fortnight all the maps will be completed and tacked up in the various engine houses.—*Oakland Transcript*.

—W. J. Callingham & Co. have hung out their banners on the outward wall, at 213 Sansome Street, having removed from 316 California. On either side of the entrance to their new establishment may be seen an entablature of rich emblazonry—one displaying the device and cognizance of the South British, and the other the regal arms and insignia of the Royal Canadian.

—Among the most graceful essays which we have lately had opportunity to peruse, is that on combinations, read by Mr. Thomas S. Chard, manager of the Fireman's Fund Insurance Co., before the Association of the Northwest, at its recent annual meeting in Chicago. It treats the question of combinations from the stand-point of philosophy, and shows in language at once terse and poetic, that in all great enterprises unity of effort is essential to the welfare of all interested—the consumer as well as the manufacturer or vendor. Especially is it necessary, where so many elements enter, and the business partakes so much of a speculative nature, as in underwriting, that the experience of older underwriters should be brought in as a conservative force; for by this, not only are the younger and inexperienced benefited, but the policy-holder enjoys the security which can alone come from an intelligent conduct of the business.

Mr. Chard's pamphlet should receive the careful consideration of every person in the profession of which he is so distinguished a representative.

—An insurance case, involving the question of liability for fire during a riot, is in the courts. In a Western city an insured building was set on fire and destroyed at the time of the riots. A man was seen to light it. He was alone, and the fire was in a part of the city where no riot was taking place,

though in another ward there was a lively fight between the mob and the vigilants. The incendiary is said to have been sent by the rioters to burn this building, in order to draw off to the fire the firemen and others, who constituted the vigilance committee. The owners of the building demand compensation from the insurance company; the company questions whether this burning was not the act of the mob. The sticking point is, that only one person fired the building, while in the law it takes three to make a mob. On the point whether this single one could represent a mob, the decision will hinge, if the case is tried.—*Exchange*.

—On the 21st August S. E. Hardman, manufacturer of Kenyon's Fire Escape, in giving an exhibition of the invention at the Windsor Hotel, New York, was instantly killed.

—In 1872 Henrietta Butterfield assigned an endowment policy to one McCormack. It was payable to her husband if he lived till 1882, but otherwise to herself. He also assigned his interest in the policy. Now, he being dead, the widow disputes the validity of her assignment and is sustained by Judge Sanford in the New York suit of Anderson Fowler vs. Henrietta Butterfield. It is held that before the passage of the Act of 1873, she had no power to assign the policy, and that she did so under the improper control of her husband. As his interest was contingent on his living till 1882, the assignment from him is of no effect.

—The life insurance companies now in liquidation, and the names of the receivers, are as follows :

Continental.....	J. P. O'Neil.
Security.....	Wm. H. Wickman.
New Jersey Mutual.....	Joel Parker.
North America.....	Henry R. Pierson.
Guardian.....	Henry R. Pierson.
Widows' and Orphans'.....	Henry R. Pierson.
Reserve.....	Henry R. Pierson.
New York State.....	Henry R. Pierson.
St. Louis Mutual.....	Von Phul & Bent.
World Mutual.....	Ex-Rec. Rosendale.
Republic, Chicago.....	Sam'l D. Ward.
American Popular.....	Ed. Z. Lawrence.
Chicago Life.....	Geo. M. Bogue.
Atlantic, Albany.....	Edw. Newcomb.
Protection, Chicago.....	E. B. Cook.
Columbia, St. Louis.....	L. E. Alexander.

—*Baltimore Underwriter*.

—The New York Live Stock Insurance Association, which has been duly organized under the laws of the State of New York, is prepared to issue policies of insurance on horses and cattle, protecting owners against loss of that kind of property by death from accident or disease. This class of property, representing in this country many millions of dollars, is now entirely uninsured, which is a reproach to the enterprise and foresight of our people. It does not admit of argument that there it just as much reason in protecting property in live stock by insurance, as the barns and stables that shelter them. The proposition is so simple that it need but to be presented to the mind to be accepted as self-evident. The failure through bad management of previous attempts to establish live stock insurance in this country is no argument against the present necessity and occasion for a sound and well managed association of capitalists for that purpose, and such this Association is, and shall continue to be, and as such it respectfully asks the confidence and patronage of owners of live stock. By the terms and conditions of the organization, the subscribing members of this Association are individually liable to the insured to the full extent of the liabilities of the Association, their names appearing on every policy issued. Live stock insurance is as common in all European countries as fire or life insurance, and has been invariably successful, thus establishing, beyond all question, the propriety and practicability of this class of insurance. The rates and classification have been arranged on data obtained from annual reports of Live Stock Insurance Companies in England, France, Spain and Italy (where this species of property is universally insured), and are fixed at the minimum rate consistent with stability.

—The life-insurance situation in France has, for some time, been engaging the attention of the French Government. A life insurance company, created by it ten years ago, is said to be working well.

—Of the \$15,000,000 awarded to the United States at the Geneva Conference, \$9,000,000 still remains unappropriated.

—A new form of fire-extinguisher was tested the latter part of March on Fish Island, near New Bedford, Mass. The machine consists of a copper cylinder, twelve inches diameter and twenty-four inches in height, the lower part being filled with water, and the upper part with compressed air. A large fire was kindled with wooden materials saturated with petroleum, and when was fully ignited, the inventor, bearing the cylinder strapped to his shoulders, approached the burning pile from the windward side, and applied a stream of water from a short hose having a pipe with an aperture of only 3-32nd inch diameter. So thin a stream (thrown by a force said to be of 200 pounds pressure per square inch) separated minute globules, and formed steam immediately on touching the fire, which was put out in a few seconds. Many of the shavings remained unscorched, and some of the petroleum was still dripping on the barrels. Only six gallons of water were used. The fire was so hot that the face of the person using the machine was badly burned. To test the throwing power of the extinguisher a stream was afterward propelled with the remnant of the water a distance of seventy-five feet horizontal. This trial appears to confirm the explanation we have previously given of the efficiency of portable fire-extinguishers for incipient fires, proving that the power is not in carbonic-acid gas mixed with water, but in the smallness of the stream of water, propelled with force sufficient to break it into spray, and form steam rapidly on touching the burning material. It matters little whether such force be compressed air or carbonic-acid gas, so that it be sufficient and quickly available.—*American Exchange and Review*.

—Suits growing out of the late railroad strike have been commenced against the New York Central and Lake Shore railroads. When the strike began, many trains were detained by order of the railroad superintendents, and it is to recover for loss sustained by this detention that the suits have been brought. A large lot of perishable freight was spoilt, and many cattle died from hunger and thirst.

ESTABLISHED

A. D. 1821.

GUARDIAN ASSURANCE COMPANY OF LONDON.

Capital paid up.....\$5,000,000 Gold
Total Cash Assets, (including life accumulations).....\$14,291,620 Gold
Cash Assets especially available for Fire Losses.....\$6,738,100 Gold
Fire risks written on approved property in California, Oregon and Nevada.

BRITISH & FOREIGN MARINE INS. CO. Limited, OF LIVERPOOL.

Capital subscribed.....\$5,000,000 Gold
Capital paid up.....\$1,000,000 Gold
Reserve Fund, exclusive of Capital.....\$756,740 Gold

BALFOUR, GUTHRIE & CO.

GENERAL AGENTS,

230 CALIFORNIA STREET, Near Battery, S. F.

TRANSATLANTIC

FIRE

Insurance Company,

OF HAMBURG.

CAPITAL, - \$1,125,000.00

GEORGE MARCUS & CO.

AGENTS,

304 CALIFORNIA STREET.



Are the leading instruments of the world ;
50,000 in use. Save the profits made by
agents by purchasing at headquarters.

T. M. ANTISELL & CO.

865 Market St.

D. HICKS & CO.

PRACTICA

BOOK BINDERS,

—AND—

Blank Book Manufacturers,
543 Clay St. near Montgomery,
SAN FRANCISCO.

BLANK BOOKS RULED, PRINTED AND
BOUND TO ORDER.

COAST REVIEW.

A MONTHLY JOURNAL, DEVOTED TO FIRE, MARINE AND LIFE
INSURANCE.

J. G. EDWARDS, Editor and Proprietor,

320 California St., San Francisco, Cal.

VOL. 12.

NOVEMBER, 1877.

NO. 8.

The Superintendents' Convention.

The *St. Paul and Minneapolis Pioneer Press* gives the following report of this convention, which commenced its sitting at St. Paul, on the 18th of September:

The National Insurance Convention met in the Senate Chamber of the capitol, at 10 o'clock A. M., yesterday, and was called to order by the president, Mr. Row of Michigan.

Mr. Row was not prepared with a formal address, but made a few timely remarks with reference to the general situation of insurance matters, suggesting topics of great interest which would come before the convention for consideration.

The executive committee, through Mr. Welch, reported the States represented as follows:

Hon. Samuel H. Row, of Michigan, president; Hon. Oliver Pillsbury, of New Hampshire, vice-president; Hon. S. H. Rhodes, of Massachusetts, secretary; Hon. J. W. Stedman, of Connecticut; Hon. John W. McCall, of New York; Hon. B. Leslie, of Kentucky; Hon. Peter Doyle, of Wisconsin; Hon. J. J. Brinkerhoff, of Illinois; Hon. W. S. Relfe, of Missouri; Hon. Orrin T. Welch, of Kansas, and Commissioner McGill, of Minnesota.

President Row here stated that the next thing in order would be the election of a new set of officers. There was a general

disposition on the part of the members to retain the old officers in their places, but they positively declined re-election, stating their willingness to divide both the honors and the work with their fellows.

The following-named officers were then elected for the ensuing year: President, Oliver Pillsbury, of New Hampshire; Vice-President, A. R. McGill, of Minnesota; Secretary, Orrin T. Welch, of Kansas. Executive committee—Samuel H. Row, of Michigan, chairman, Joshua Nye, of Maine, John N. Stedman, of Connecticut, Wm. S. Relfe, of Missouri, and J. F. Smyth, of New York.

After the election of the above officers and the reading of letters from non-attending officials of other States, the convention took a recess until 2 P. M.

On re-convening at 2 P. M., the convention went into executive session, and for a couple of hours shut themselves in from the outside world. About four they again went into regular session, whereupon President Pillsbury announced the following committees: On Blanks, Rhodes, Welch, McCall, Leslie and Row. On assets and investments—Welch, McGill, Doyle, Stedman and Relfe. Rates of Mortality and Interest—McGill, Welch, Rhodes, Row and Brinkerhoff. On Legislation—Stedman, Rhodes, McCall, Relfe and Brinkerhoff. Miscellaneous—Doyle, Row, McGill, Leslie and Stedman.

Mr. McCall here offered some very pertinent resolutions with reference to the laws of several of the States requiring special deposits from companies for the special protection of the policy-holders of those States, to the disadvantage of policy-holders in other States, and enforced his resolutions by a few very timely remarks, showing the injustice of these laws.

The resolutions, on his own motion, were referred to the committee on legislation.

Mr. Welch, of Kansas, then offered a series of resolutions bearing upon the interest of policy-holders in the assets held and controlled by the life and fire insurance companies of the country, and calling upon the legislatures of the several States for such legislation as will more securely protect these interests. Mr. Welch made a long speech in support of these resolutions.

On the motion of Mr. Row the convention then took a recess until 7 o'clock, at which hour they went into executive session, and shut us out in the cold. What they did in executive session we have not been told, but may find out yet. If we do, and it is worth telling, our readers shall know all about it.

Mr. Willard Merrill, secretary, and Mr. E. McClintock, actuary, of the Northwestern Mutual Life Insurance Company, are in the convention; also Mr. W. H. Smyth, son of the New York Superintendent.

The session of the convention was brought to a close Thursday evening. The next place of meeting will be Providence, R. I., the last Monday in August, 1878. During the session very many important questions were considered, affecting the rights of insured, the conduct of companies, etc., some of which are plainly outlined in the following resolutions, adopted previous to adjournment, which we find in the *St. Paul Dispatch* of Friday:

WHEREAS, It appears essential that the national convention of State officials, charged with the execution of insurance laws in their respective States, now assembled at St. Paul, Minn., for exchange of views, should give some public expression of their opinion regarding the management of companies. It is therefore

Resolved, That while our confidence in the benefits to be derived from life insurance, honestly and efficiently managed, is in no way abated by the results of our examinations, we deem it incumbent upon us to denounce as radically wrong and without justification the expenses heretofore attaching to the business, more particularly the enormous salaries, bonuses and percentages voted to themselves by the officers of a number of life insurance companies, far exceeding the money value of human skill and effort; and it is our duty to censure such practices, and in our intercourse with the public to warn them against the corporations which are using the contributions of the insured in this reprehensive manner.

Resolved, That every effort to protect policy-holders should be earnestly made, and that the preservation of their rights is our paramount duty. That in view of the extraordinary expenses growing out of receiverships as lately developed, we deem it better to exhaust every method consistent with safety that will avoid the dissipation of trust funds by such exorbitant fees and charges. That the interests of policy-holders in impaired life companies may be best subserved by change of management, and if necessary a pro rata diminution of the amount insured.

Resolved, That we endorse the law passed by the legislature of New York to prevent fire insurance companies from advertising as assets amounts that are not available for the payment of fire losses; also the law enacted by the last legislature of Michigan, giving to the insured equal rights to the companies in the cancellation of policies. That we advise the legislatures of our respective States to pass similar laws where the same are not in force.

Resolved, That the enactment of a law by any State requiring insurance companies to make deposits for the protection of policy-holders of such State, thus creating preferred creditors, is pernicious in its results, and that such deposits should be allowed as assets only to the extent of the liabilities in that State.

Resolved, That the time has arrived when insurance companies should economize in

their expenses, which, it is apparent, are in many cases out of proportion as compared with those of other branches of business. That the insuring public are compelled to bear the burden without having any control over the same, and while the expenses in all other classes of business are reduced in accordance with the necessities of the times, the ratio of expense caused by excessive salaries and commissions, and demands of worthless insurance journals, make insurance companies the exception to the general rule.

Resolved, That in all life insurance companies, partly stock and partly mutual, policy-holders should have a voice in the election of officers and management of affairs.

Resolved, That in our judgment, from the prospective rate of interest, as indicated by the successful efforts of the government in placing the four per cent. loan, life insurance companies should not be permitted to declare dividends except from the surplus in excess of a four per cent. reserve.

It was also resolved that hereafter companies in their reports to State officials should report specifically the items making up their unearned premium funds, and also that hereafter the departments require detached statements of salaries and commissions paid to officers of companies.

A vote of thanks was returned to the retiring officers, to Commissioner McGill for courtesies, and to the newspapers for reports of proceedings.

The Providence Fire.

The loss by the fire at Providence, R. I., on the 27th of August is estimated at \$675-300. The insurances involved aggregate \$548,700, distributed as follows :

Atlantic, New York.....	\$10,000
Atlantic, Providence.....	3,000
Atlantic, Boston.....	1,000
Amazon, Cincinnati.....	5,000
Ætna, Hartford.....	10,000
British America, Toronto.....	3,000
Bangor.....	5,000
Boylston, Boston.....	5,000
Columbia, New York.....	5,000
City, Providence.....	2,000
Connecticut, Hartford.....	2,500
Commercial, Philadelphia.....	3,000

Commercial Union, London.....	5,000
Dorchester Mutual, Boston.....	3,000
Exchange, New York.....	9,500
Equitable, Providence.....	12,000
Franklin, Boston.....	10,000
Franklin, Philadelphia.....	5,000
Faneuil Hall, Boston.....	3,000
Fame, Philadelphia.....	2,500
Firemen's Fund, San Francisco.....	2,500
Fire Association, Philadelphia.....	10,000
German-American, New York.....	11,000
Guardian, New York.....	8,000
Germania, New York.....	4,000
Gloucester, Mass.....	3,250
Hamburg-Bremen.....	3,000
Holyoke Mutual.....	10,000
Hartford.....	8,000
Hanover, New York.....	5,000
Howard, New York.....	5,000
Hudson, Jersey City.....	3,000
Home, New York.....	7,500
Imperial and Northern, London.....	25,000
Lynn, Boston.....	5,000
London.....	14,000
Lamar, New York.....	5,000
Lycoming, Muncy, Pa.....	6,000
Merchants' and Farmers', Worcester.....	2,500
Manufacturers', Newark.....	750
Manhattan, New York.....	6,500
Merchants' Mutual, Providence.....	5,000
Mechanics' Mutual, Boston.....	5,000
Meriden, Meriden, Conn.....	2,500
North American, Philadelphia.....	7,000
National, Hartford.....	8,500
Newark City, New Jersey.....	5,000
North British and Mercantile, Liverpool...	5,000
Orient, Hartford.....	2,000
Phoenix, Hartford.....	21,000
Phenix, New York.....	15,000
Pennsylvania.....	3,750
Pawtucket Mutual.....	5,000
Prescott, Boston.....	5,000
People's, Newark.....	5,000
Providence, Washington.....	8,000
Quincy Mutual, Boston.....	5,000
Queen, London.....	26,500
Reliance, Boston.....	7,500
Republic, New York.....	5,000
Royal, Liverpool.....	25,000
Royal Canadian, Montreal.....	15,000
St. Paul.....	5,000
Standard, New York.....	1,250
State of Pennsylvania.....	16,250
Star, New York.....	1,250
Sun, Philadelphia.....	1,500
Trade, New Jersey.....	2,000
Union, Philadelphia.....	2,000
Western, Toronto.....	5,000
Westchester, New York.....	7,000

—The Transatlantic Insurance Company of Hamburg, Germany, has been admitted to do business in the State of New York.

The Underwriters' Association of the Northwest.

In the last number of **THE COAST REVIEW**, some space was devoted to a cursory notice of the proceedings of this Association on the first and second day of its meeting. Since the publication of that number, we have received a pamphlet containing a report of the proceedings in full. Some of the papers and addresses read before the Association, we have already characterized in encomiastic terms, and we now regret that we cannot reproduce the whole of them, in extenso. It is our present purpose, however, to present in synopsis or by extracts such parts of them and of the discussions in general which contain valuable information or matter for reflection.

PRESIDENT BLIVEN'S ADDRESS

Commences by a consideration of the uses and objects of the National Board, and gives the following reasons for sustaining that organization:

A body composed of agency companies only; created for the consideration of the more important principles which govern fire underwriting—the perfection of the form of policy; collating judicial decisions thereon; compilation of statistics; securing the enactment and enforcement of well-considered building laws; improvement and efficiency in fire departments and water supply; and, also—if there can be assurance of good faith in adherence to it—devising a simple scheme for securing equality and uniformity in rates; based, as it should be, upon the characteristics of towns, the construction, occupancy and exposure of buildings—leaving the detail of application to subordinate bodies—but reserving promulgation to secure uniform and simultaneous action by members, could hardly fail to be a strong and compact body. It would be a conservator of public interests as well as of insurance interests, and second in influence to no similar organization in this country.

THE DEMORALIZATION IN RATES.

"Since our last meeting," says the President, "rates have become open in one place after another, until it is doubtful

whether adherence to established rates is anywhere now the rule."

"Following blindly a reckless competition—notwithstanding the declining value of all kinds of insurable property—underwriters have not justified the rigid adherence for a time, to rates varying from twenty-five to one hundred per cent. above those which now obtain. Failing to maintain a position they ought never to have assumed, some may now be often found struggling for business, with the veriest "wild cat" in the field.

To preach that indemnity shall be sold not to the highest, but to the lowest bidder, or for what a customer may choose to pay, does not require a high order of talent. But to practice such a doctrine and save a company from bankruptcy would prove far beyond the skill of the ablest underwriter.

Advocates of such "free trade" notions appear to forget that indemnity is not of fluctuating value, subject like an article of merchandise to a law of supply or demand: that when a policy is issued, further care in regard to the risk cannot be dismissed. On the contrary, it is an endorsement of the solvency of the assured, in the happening of a certain event within a given period of time; with a remainder over, in the shape of a contingent liability of about sixty to one hundred, or the average percentage of premiums required to pay losses; and over which, for the rest of the term, the insurer has no control.

Insurance is a necessity—the protection it affords is invaluable; and like everything else worth having, costs something. That cost, and a reasonable profit, must be paid by the assured. Whenever a company or its agents sell insurance below an adequate rate for the risk assumed, it may be set down as a fact that they place the truest measure of value upon the indemnity that will be furnished, when a loss occurs.

The policy or indemnity of one solvent company is really worth no more or less than that of a similarly solvent company. Hence, if there be any virtue in good management, conservative practice, furnishing reliable insurance to property-owners, and

making reasonable dividends to stockholders; all of which are absolutely necessary to the business; certainly there should be some guide, or limit, in fixing rates, beyond which the underwriter ought not to go.

In other kinds of business, combination of capital and talent are necessary to cheapen a product. Surely, organization, combined experience and wholesome rules, properly enforced, should enable an association of companies to furnish indemnity at quite as low a rate as any single company with only an individual experience."

The retrospective portion of the address and the statistics therein contained have already been furnished in the last number of the REVIEW, and we will therefore pass on to that subdivision which comments on

THE DUTY OF THE STATE.

The relations of the State to the interests of insurance are set forth by Mr. Bliven with temperate force and logical acumen. It is fairly claimed that this business is entitled to the same rights and privileges as business of other descriptions, and that a tax on the gross premiums is a burden heavier than is borne by any other interest in the country. "A tax of three per cent.," says the president in illustration, "after deducting the sixty per cent. for losses, and thirty per cent. for expenses—shown by the record of years to be necessary—is a tax of thirty per cent. upon the net premium receipts." The State is then appealed to for the purpose of preventing the organization of insolvent companies, "or those without an adequate capital invested in bonds issued by the United States, or by the State under whose law such company may be incorporated." It is also required to enact laws for the prevention of dangerous constructions, for a judicial investigation into the origin of fires, for the abatement of the tramp nuisance, and for the more rigorous punishment of the crime of arson.

THE FORM OF POLICY

Now generally used is recommended for revision and improvement. We present the technicalities in the president's own phraseology:

"Property hereby insured," is a phrase in the policy requiring amendment—only the owner or person interested in the property described, can be insured or indemnified.

"Other insurance permitted," a phrase used by agents, is worthy of closer attention and amendment to require the specific amount to be named in all cases. The probability of a partial loss necessarily enters into the making of a rate upon a given risk; and the amount of other insurance in force, as well as that covered by certain companies, often influences the acceptance and continuance of a risk. Hence, when a loss occurs, and the amount of insurance (as well as the companies interested), is found to be widely different, and the result a total loss; there has been such a material change in the hazard, that, had it been known, might have caused a radical increase in the rate, or a cancellation of the policy; if, indeed, it would not be held by the courts to have totally voided the policy, as, we believe, has been decided in one case already."

"It is also suggested for your consideration, whether 'other insurance permitted,' should not be held to be contributing insurance, until notice of reduction in amount is endorsed on the policy. This is now required by several companies, and was referred to by the Committee on Forms of Policy at our last meeting.

"Germain to the policy: we raise the point whether a policy shall be construed under the laws of the State where the company is located, or where an agent countersigns its policy?

"The law of the State where the contract is made, enters into and makes a part of the contract." Now, as a policy is a unilateral instrument, and almost necessarily made by one party, to wit: the company—neither the agent nor the assured having any voice in framing the conditions or requirements—it may prove important to know by what State law the policy is to be governed.

If it shall be held to be that State where the policy may be countersigned, then the company should be "equal before the law,"

in all respects, to a company organized under the law of such State. A decision to this effect would go far toward relieving companies from much of the onerous legislation and taxation to which they are now subject."

MISCELLANEOUS MATTER.

After some brief remarks on the danger arising from the use of oil stoves, and a slight reference to the constitution and by-laws, and to the Association of the South and the New York State Association, the president, in

AN ELOQUENT OBITUARY,

Pays a tribute of respect to the memory of Lewis R. Morris, one of the oldest members of the association, and to that of our late contemporary, Edgar A. Hewitt, whose loss is so deeply deplored not only by the insurance interests, but by all who feel a genuine regard for talent and integrity of character.

THE CONCLUSION OF THE ADDRESS

Characterizes the status and principles of the association in the following language:

"This association has been justly termed the 'normal school of the profession,' and one whose members do most of their thinking on wheels. Its influence, as a conservator in the field-work of fire underwriting, is felt on every hand. Being an impartial body, reforms advocated by it can the more easily be carried forward to successful adoption. Our greatest strength lies in the absence of legislative authority; it makes our moral power irresistible."

"Fortunately, no principle of exclusiveness governs in this body; we deem the absence of it to have been in no small degree the basis of our success. Unrestricted as to requirement of membership, save that of 'a State or equivalent jurisdiction,' we enlist with pleasure all of the profession who are disposed to lend the aid of their knowledge to further the discussion of topics pertaining to good practice and the elevation of the business of fire underwriting.

What we do here is but "the completion of inward thought," the result in a great measure of our field experience. We bring various opinions together, "into one focus

or into one form, as a jeweler masses diamonds, and makes a cluster of extreme brilliance; since each gem lends the others light, without diminishing its own."

The papers which are to be presented for your consideration at this meeting will take, it is believed, a higher rank than any hitherto read before us. We hope they will be a stepping-stone to that still higher grade of thought which some of our members have anticipated, and constantly striven for, as being the future of the association.

"It is one of the effects of knowledge and intelligence that it liberalizes the mind, and unshackles it from prejudice and the influence of local interest." Hence, we must learn to detect and realize the idea which flashes across the mind; because every reform was once a private opinion; when it shall become a private opinion again, it will solve the problem of the age."

Our future influence will be largely due to our past history. If we keep within the scope of our delegated authority, it will remain almost wholly with us to increase and perpetuate that influence, personally, professionally, and as an organization."

Shall We Invite a Similar Condition of Things in San Francisco?

Under the heading of "Prospective Funerals" the *New York Mail* of the 10th ult. gives some illustrations, showing, to some extent, the demoralized state of affairs in fire underwriting in New York, and the same may be said of many other large cities and towns in the East. While this general slaughtering of rates has not extended to this coast as yet, with the increasing competition in the business, and a downward tendency especially among some of our non-boarders, the question, "shall we invite a similar condition of things in San Francisco?" is certainly appropriate, and worthy the consideration of all our underwriters. We invite the attention of our readers to the following from the *Mail*:

We have had frequent occasion of late to refer to the demoralized condition of the

fire insurance business, as shown by the willingness and even anxiety of the companies to accumulate risks at rates known to be inadequate. It is notorious that our companies are, as a rule, carrying enormous amounts for less than half the premiums received for the same risks two or three years ago. The reports made by the Treasurer of the Fund for the support of the New York Fire Patrol exhibit some striking facts in this connection. These reports give the sworn returns of the New York City business done by each company in each six months of the year, and thus furnish a safe test for comparison. As showing the extent of the decrease in premiums since 1874, the following aggregates are interesting and instructive, being the amount of premiums received by the New York and outside companies on city business during the first six months of 1874, 1875, 1876 and 1877:

	1874.	1875.	1876.	1877.
New York companies	\$2,856,462	2,563,738	2,185,561	1,845,329
All other companies	1,502,013	1,198,176	1,085,459	979,842
Totals.....	\$4,158,475	3,761,914	3,271,020	2,825,171

These figures illustrate the course of the business depression since the panic of 1873, and the effects of such depression upon the receipts of the insurance companies. While the volume of business has thus diminished somewhat over thirty per cent., the number of companies has not decreased, and so there has been a struggle—which might be called lively, if it were not really deadly—for the securing of what business might be afloat. But along with this frantic competition came a slump in rates which, for more than a year past, has kept premiums on the down grade, until now they average about 50 per cent. below what they used to be. Consequently the companies are contending against two forces—greatly diminished volume of business and totally inadequate rates on what business they can get. In a fight so unequal, insurance capital must suffer; and it does. Moreover, it is a conflict whose result in ruin can only be a question of time for many who are engaged in it.

How this state of things affects some of

the companies may most clearly be seen by a comparison of returns for the first six months of 1877 with those for the corresponding period of 1874. These figures, it must be understood, refer to the New York City business alone of these companies:

Company.	Jan.-June 1874.	Jan.-June 1877.
Ætna.....	\$37,012	\$ 9,159
Adriatic.....	22,660	15,651
Brooklyn.....	16,651	8,657
Broadway.....	33,027	22,104
Clinton.....	13,990	18,466
Columbia.....	39,825	10,335
Emporium.....	25,421	12,833
Fireman's.....	34,633	18,562
Germania.....	60,003	38,187
Hope.....	30,547	17,864
Irving.....	15,291	7,173
Jefferson.....	37,286	20,435
Knickerbocker.....	44,805	24,896
Kings County.....	31,928	5,340
Lafayette.....	29,739	13,116
Lenox.....	13,782	8,393
Lorillard.....	30,463	17,229
Mechanics' and Traders'.....	50,844	23,021
Mannfrs' and Builders'.....	45,039	28,715
New York Equitable.....	40,626	20,636
Now York.....	33,296	16,396
North River.....	26,837	14,901
Nassau.....	12,245	8,627
Park.....	37,910	18,458
Tradesmen's.....	38,651	16,336
United States.....	25,289	14,475

When it comes to analyzing the returns of certain other State and foreign companies for the same periods, of their city business, the result is equally marked.

For example:

Ætna, Conn.....	\$75,856	\$41,000
National, Hartford.....	7,953	2,816
Phoenix, ".....	8,843	5,827
Fairfield, Conn.....	10,517	6,152
Traders, Ill.....	11,053	7,951
Amazon, O.....	13,201	2,443
North America, Phila.....	27,780	14,817
State of Pennsylvania.....	12,410	5,516
Franklin, Philadelphia.....	11,166	2,778
N. Western National, Wis.....	11,111	3,282
N. British and Mercantile.....	41,964	31,142
Liver'pl & London & Globa.....	198,202	120,558
Queen.....	57,800	39,491
Imperial.....	31,508	14,425
Commercial Union.....	57,321	24,724
Lancashire.....	33,129	17,215
Hamburg-Bremen.....	22,348	15,125

These lists might, of course, be largely extended; but enough is given to show what a falling off there has been in business and rates during the past three or four years.

Co-operative Life Assurance Associations.

Co-operation is not peculiar to the associations that have taken their title from this principle, for it belongs, and ever did belong, to all systems of insurance. What is peculiar, however, to these "co-operatives," is an adherence to the fallacies which life assurance, properly so-called, has long ago abandoned. The plan of rating all ages alike was among the blunders of the earliest companies, and was maintained until they had been brought to the brink of ruin. The idea naturally belongs to inventors in a rude stage of scientific investigation, and is as naturally adopted by such persons as are averse from the labor of thinking, or who cannot conduct that operation in a careful manner.

Some years ago Mr. Elizur Wright published a four-page pamphlet, exposing in his own quaint style the monstrosities of this sort of co-operation; but then there was little experience in this country, by which to verify or disprove the correctness of his opinion. Latterly, however, some instances have been furnished by which Mr. Wright's condemnation of the co-operative schemes has been fully sustained.

On the 18th of July last the eighth annual convention of the United States Railroad Mutual Life Association (co-operative) was held at Chicago, and we find by the figures of its report and by the admission of its president all the serious and fatal defects which may be logically looked for in such organizations. From the 1st of June, 1871, to the 1st of June, 1877, the membership had dropped from 1,043 to 614, and the collections for benefits had been reduced from an average of \$1,475.55 to \$778.60. The report further states, that while the average amount paid by members for a benefit of \$1,000 was, for the first four years \$10 per annum, and for the last three years \$17.50 per annum, the amount paid for the last year was \$23.50. There is no indication that the association has not been honestly and properly managed.

The concluding portion of the president's

address fairly recognizes the radical defects that are inherent in the system. These are technically and elaborately exposed in the following "objections," which were suggested to Professor C. N. McCay by the report that has been mentioned. They are taken from a contribution by that gentleman to the Baltimore *Underwriter* :

1. The first objection that lies against all these societies that have come under my notice is that the admission fees or first payments, under whatever name they are called, are not proportioned to the risk assumed or the benefits promised to the insured. In some they are the same for all ages, but in none are they proportioned to the probable mortality of the different members.

2. This objection becomes still stronger when it is considered that not only the fees are unfairly charged, but the insurance to be received at death is unequal for the several members. It is often indefinite and uncertain, but it is sure to be unequal.

3. The assessments to pay losses are not proportioned to the mortality rate of the members. This objection is fully acknowledged in the report above-mentioned as a defect which has much impaired the popularity and success of their association.

4. The inequality and injustice of equal assessments to pay losses is made more evident by considering the rapid increase of mortality after the lapse of two or three years. The experience of every life company that has been published shows that this rate increases two or three hundred per cent. in a very short period of time. This rapid increase makes the inequality between new and older members very much greater than the mere difference of age would indicate. If the rate for entrants at the age of fifty is double that for those of twenty, it is quadruple for the first entrant, after three or four years have elapsed since his admission, of the rate for the new entrant at twenty. In like manner, if the entrant at fifty has been insured six or eight years, so that his mortality has increased thirty or forty per cent. by age and two or three hundred by the age of his policy, the comparative mortality of this old insurant and

a new member at twenty is as five or six or seven to one. What would be thought of a marine company that would charge the same premium for a voyage from New York to Norfolk, as to Charleston or New Orleans, or Rio Janeiro, or Callao, or San Francisco, or a port in Alaska, Japan, or China? The same folly is shown by insuring new and old insurers at all ages for the same rates, or assessing them the same amounts to pay losses.

This objection is clearly recognized by the Railroad Association.

5. The equal assessment for all ages and for recent and old insurers is made still more unjust when the payments to the insured become lessened by the age of the company. The three inequalities of age of the insured and age of policy and amount insured magnify the injustice of uniform assessments on all the members for the payment of losses.

6. These inequalities and wrongs have generally been sufficient to destroy these companies after a few years' trial; but there is another powerful destroyer and disorganizer in the fact that the members have no interest in continuing their membership. The payment of the assessment is no act of necessity, duty, or pecuniary obligation, but an act of charity. This is a very good motive, but it is not a business inducement; no dependence can be placed on it, we cannot count on it or expect it. In all money matters men are governed by their interest. We do not live in Utopia. We have not reached the millenium. Human beings are impelled by self-interest, and they will only pay when it is to their advantage to pay. In ordinary life insurance the policy-holder is compelled to pay his renewal premium by the knowledge that he will be a great loser by his failure. But in a co-operative company, if the treasury has been emptied, and needs to be replenished by assessments, the member has no interest in the company, to induce him to pay. If he omits or neglects to meet the call for his assessment, he loses nothing, for there is nothing in the common treasury to be lost. If there happens to be a trifle there, it is only in appear-

ance, for all they have is needed for expenses and losses already incurred. Perhaps more than all is needed, and if so, the member is a gainer by withdrawing.

This objection is fully acknowledged by the Railroad Association.

7. All these evils and wrongs to the members result in a rapid diminution of their numbers, and this becomes the cause of a new injustice. When the company is first organized its members are increasing. The novelty and cheapness of the scheme attract the inexperienced, and the additions are numerous. After a while bitter experience convinces them that the system is defective and imperfect, and unjust, and they begin to retire. The increased cost of insurance accelerates these withdrawals. Now, as the members increase the cost of insurance is lessened; as they decrease, it costs more and more.* In the Railroad Association this annual cost has risen to \$2.37½ per thousand, a most enormous sum, which far exceeds the cost in any of the ordinary life companies.

8. The co-operative companies depend on assessments for the payment of losses, and not on advanced payments. In the ordinary companies the funds are on hand to meet claims, while in the co-operative societies they are in the hands of the insured, who cannot be compelled to pay, and have no motive to pay.

This objection is the most serious and fatal to the co-operative companies, and although the report of the Railroad Association does not in exact terms acknowledge this defect, it is implied by two facts which it mentions: The first is that the members have no interest in the company, and fall off or withdraw and decline to pay their assessment. The second fact is that by this non-payment the amount received by the estate of the deceased members become less and less every year.

These two facts are an acknowledgment that the members themselves are not to be relied on to meet the losses. The funds must be in the treasury, prepaid in advance, or there is no security that the insured will receive the sum that has been promised.

Proposition of the Charter Oak Life to its Policy-holders.

OFFICE OF THE CHARTER OAK LIFE INS. CO., }
HARTFORD, CONN., SEPT. 24, 1877. }

To the Policy-holders :

When the present management accepted the control of the Charter Oak Life Insurance Company, they had no other knowledge of its affairs than such as was afforded by the statements of the former officers of the company, the report of the special commissioners appointed by the State, and that of the insurance experts, based in some important respects upon information obtained from those in control of the company's affairs.

It was evident to all that if the company went into the hands of a receiver, it would be necessary, under the law providing for his appointment, that its business should be immediately closed, and its assets converted into money ; and that such a course, in the present depressed financial condition of the country, would necessarily result in enormous sacrifices and such shrinkage of assets as would be ruinous to the policy-holders.

Relying on the supposed recuperative powers of the company, and deeply sympathizing with the general desire in this community to extricate it from its difficulties and to restore it to credit, if possible, we were induced to accept the management, in the full belief that the interests of the policy-holders would be best served by continuing the company in existence, under an honest and economical management, even though all our hopes of complete success should not be realized.

It became our first labor, as it was our first duty, to make as thorough an examination as possible into the condition of the company, that we might determine our chance of success, and decide on the best course to pursue.

From this examination we have discovered that a very large portion of the assets is invested in real estate. Much of this pays little income, after deducting taxes and expenses, and some is at present wholly unproductive. On some of the mortgages

held by the company the interest is in arrears, and the total receipts for interests and rents will be very much less than we had been led to expect.

A considerable portion of the assets of the company are of uncertain value, and a present appraisal of its entire property, under the rules of the insurance departments of several States, would fall short of the reserve required by those States to enable us to continue business therein.

With these facts before us, we have come to the conclusion that the probability of recuperation is too remote to make it prudent, even were it permitted by law, to attempt to carry on the company under its present load of liabilities and embarrassment. It appears to us, therefore, that one of two courses should be adopted at once, for the protection of policy-holders, whose interests alone ought to be considered.

The first is to place the company in the hands of a receiver. This, as we have already intimated, we regard as fatal to your best interests, and a remedy only to be resorted to when all other remedies fail. In such case all insurances would immediately terminate. Each policy-holder could present to the receiver a claim, not for the amount of his policy, but only for his present interest in the assets of the company. This would be the amount of the reserve held by the company against his policy, which in many cases would be but a small proportion of the premiums actually paid. Upon this sum the policy-holder would receive a dividend uncertain in amount, but probably small, and payable only when the estate is settled, after the lapse of years. In the meantime, if any policy-holder dies, the claim of his heirs will not be based on the amount of his policy, but only on his present interest, as just stated. For instance: Upon a policy of \$5,000, which has been in force ten years, and upon which ten annual premiums have been paid, the reserve is \$667. Upon this sum the receiver's dividend would be based, and if at the final settlement, the receipts should yield even as much as 40 per cent. of the liabilities, the dividend would be \$266.80. In the mean-

time, all the business of the company would cease, and all expense of managing its affairs and realizing on its assets must be borne by the assets themselves, thus diminishing the amount of the dividend to be eventually declared.

The other course is to so reduce the present liabilities of the company, by the voluntary action of the policy-holders, as to at once place it on a sound basis financially.

After a thorough and careful examination of the matter in all its relations, we most confidently recommend the plan herewith submitted, viz.: that each policy-holder consent to release to the company an amount equal to two-fifths of the reserve liability under the policy. The modifications in your present contract necessary to effect the foregoing release will be laid before you at the earliest moment, and will be of such character as will secure to the fullest extent possible all your rights and equalities as policy-holders.

This course will reduce the liabilities of the company to a point where its admitted assets will furnish an undoubted reserve and restore its financial credit so as to enable it to resume business in any part of the country.

By adopting this plan, the policy-holders will lose nothing. They have now as security for their claims only the present assets of the company. By thus restoring the solvency of the company, they render their policies certainly safe, and in future will pay no more for insurance than they receive; nor do they lose their interest in the doubtful assets of the company; for the company agrees to proceed as fast as consistent with prudence and economy, to collect and convert into paying securities the present uncertain and doubtful assets of the company, and whenever any divisible surplus shall arise from this source, to distribute the same from time to time in equitable proportions among the policy-holders who have thus consented to said release. Such divisible surplus will in equity belong to those who, by reducing their claims upon the reserve fund of the company, have made its continued existence possible. In

this way the policy-holders will secure to themselves all that can, by the judicious handling, possibly be realized from the entire present assets of the company.

We herewith submit the whole matter to the policy-holders, who will determine by their acceptance or rejection of the plan proposed, whether this company shall continue as a live, solvent institution, entitled to confidence, or whether it shall go into the hands of a receiver.

REDUCTION OF CAPITAL STOCK.

An adjourned meeting of the stock-holders of the Charter Oak Life Insurance Co. was held September 27th, 1877, at 4 o'clock P. M., the following vote was offered :

WHEREAS, The assets and the capital stock of this company have become impaired, and in view thereof it is proposed to ask the policy-holders to reduce the account of their policies 40 per cent., it is

Voted, That the capital stock of this corporation be and the same is reduced 40 per cent : To wit, from the sum of \$200,000 to the sum of \$120,000, and that such reduction be made by reducing each share from its present par value of \$100 to the par value of \$60.

It was voted that the yeas and nays be taken upon the resolution by a stock vote. One thousand five hundred and seventy-seven shares voted yea, the vote being unanimous.

The following resolution was unanimously passed :

Voted, That the directors of this corporation are hereby requested and directed to pass a vote, that no dividend whatever be declared upon the capital stock of this company for five years from this date.

Proposition of the Universal Life to its Policy-holders.

OFFICE OF THE UNIVERSAL LIFE INS. Co., }
Nos. 17 AND 19 WARREN ST., NEW YORK. }

Your earnest attention and careful consideration are respectfully called to the following :

The Superintendent of the Insurance Department of this State has deemed it his duty to report this company as insolvent,

and a motion by the Attorney-General was made July 13th to the Supreme Court of this State for the appointment of a Receiver for the company, and on July 17th a referee was appointed by the Court to take testimony as to the facts. Some testimony has been taken; and on September 14th, on petition of a large number of policy-holders, proceedings were suspended by order of the Court, to enable the company to make an immediate adjustment with the policy-holders, and thus avoid a receivership.

There has not been any dispute or question between the company and the insurance department as to the character or amount of the company's liabilities, but only as to the value of assets owned by the company, and chiefly relative to values of real estate, and mortgages on real estate. The valuation by the department so reduces the assets from the valuation made and stated by the company, as to show a deficiency of over one million dollars. The company stated the value of its real estate, in its last annual report, at its exact cost to the company; and insists that what it can be sold for in cash in these times of unprecedented commercial depression, is not a fair nor right standard of value of such property—especially to a life insurance company whose liabilities are in the future, and are estimated on the basis that the company will receive only 4½ per cent. interest on its assets.

If a receiver should be appointed and the company thus wound up, we cannot expect that the results to policy-holders in this company would prove an exception to the usual results of receiverships. In nearly every instance the appointment of a receiver for a life insurance company has been followed by expensive litigation and extraordinary cost and expenses; and after years of anxious and perplexing waiting, those who have been the only contributors to the funds are prodded, if anything, a mere pittance as their share of the assets—the insurance contract being utterly ignored and the insurance totally lost.

In order that the policy-holder may retain, in insurance, the full value of the assets of the company, as appraised by the insurance

department, and also their right in insurance, to any actual excess of assets which may be realized over such appraisal; or, in other words, the actual and entire assets of the company at both present and future values, and also all profits and accumulations which may hereafter accrue to the company, the following proposition is submitted for your approval and acceptance, viz:

You to release to the company one-half of your policy, and—except on paid-up policies—pay only one-half of present premiums; all the assets of the company over and above its liabilities, to be annually applied to the restoration of all policies to their original condition—the stockholders to have no profits, nor even interest on their stock, until all policies are thus restored.

You will please bear in mind that the real points of the case are briefly, and, to recapitulate, as follows:

1. This company's assets are largely real estate and mortgages on real estate, and are fairly worth to a life insurance company with which to meet its future maturing liabilities such values as can be realized when, and as needed, for life insurance purposes.

2. Appraisers for the insurance department have put upon this property such values as it would bring at the present time.

3. If the latter valuation shall be approved by the Court, a receivership is inevitable, unless the plan herein proposed is at once adopted by the policy-holders.

4. From the articles entitled "Life Insurance Assets and Liabilities," which we send you, you will see that there can be no doubt as to the realization by the company of large surplus with which to restore, in the way proposed, to each assured, all that he shall release, and you will also see from the articles entitled "Receiverships," the full nature of the calamities we are striving to avoid.

5. Policy-holders will, in fact, be as well off by the adoption of the plan proposed as though we should succeed, after a tedious contest, in having the company judicially declared solvent, as all the assets will be retained by the company, and the

expenses of a lengthy litigation will be saved.

6. The stockholders will have no interest of any name or nature, in any profits, until the policy-holders are made whole, as proposed; and, of course, they will never realize *anything*, interest or otherwise—although they have paid into the company \$200,000 in cash—unless the company shall succeed in fully restoring policy-holders' interests, as proposed.

This proposition has the approval of the superintendent of the insurance department, the attorney-general and the court.

By order of the executive committee.

S. W. TORREY,

President pro tem.

The following is the form of contract which accompanies the circular :

Know all men by these presents : That.....
.....the undersigned,
being the legal owner of policy No.....
issued by the Universal Life Insurance Company of New York City, for a valuable consideration, do hereby consent to a reduction in the amount of said policy to the extent of one-half of the amount thereof; and do hereby release said company from all liability, by reason of said policy, to the extent above stated, on the following terms and conditions, which are hereby declared to be a part of the consideration of this agreement:

1. The premium on said policy shall be reduced one-half in amount.

2. The stockholders of said company shall consent that all profits of every name and nature hereafter accruing to said company shall be annually divided among the policy-holders of the company until such dividends shall have increased the amounts of the several policies to their several amounts respectively prior to such reduction; and in the event of said policy No..... maturing before it shall have been restored by dividends to its original amount, said company shall, in addition to the payment of the amount due at maturity, issue its certificate to the legal owner of said policy No..... for an amount equal to the difference between the amount actually paid by such

company at such maturity, and the amount which would have been due on said policy, had this reduction not been made, which certificate shall entitle the owners thereof to participate in the profits of said company until the whole amount of such certificate shall have been liquidated by such dividends.

3. In case any dividends, of any amount whatever, shall be declared or paid to the stockholders of said company, before all of the policies of said company shall have been fully restored, and all such certificates shall have been fully paid, then, and from that time this agreement shall cease and be null and void.

It is hereby distinctly understood and agreed, that this agreement shall be null and void in the event of the appointment of a receiver of said company, in an action by the Attorney-General of the State of New York against said company, now pending in the Supreme Court of said State. *Witness my hand and seal.*

Dated at.....this.....day
of.....1877.

Witnessed by.....

This acknowledgment to be made in case the above contract is signed by a married woman.

STATE OF..... } ss.
COUNTY OF..... }

On this.....day of.....1877,
before me personally appeared.....
.....to me known to be the identical person described in, and who executed the foregoing instrument, and acknowledged the execution thereof; and by a personal examination by me made apart from her husband, acknowledged that she executed such instrument freely, and without any fear or compulsion of her said husband.

—The North Western Mutual Life Insurance Company shows, on examination by the Commissioners of New York, Massachusetts, Illinois, Maryland and Wisconsin, a surplus of \$2,837,285.62. The reserve is at four per cent.

Propositions of the Universal and Charter Oak.

Strenuous efforts are being made by these two life insurance companies to save themselves from the rapacity of receivership. We call attention to the propositions made by them respectively, which appear in another part of this number. By the circular of the Charter Oak it will be seen that the policy-holders are asked to consent to a reduction on the face of their policies to the extent of 40 per cent., and in anticipation of this, and with a view to restore the sum sacrificed, the company has reduced the capital stock from \$200,000 to \$120,000, and announced its resolution of not declaring a dividend thereon for five years. The Universal asks for a reduction of 50 per cent. on the face of the policies, and the stockholders have agreed, in case of the assent of the policy-holders, to draw no dividends until the policies are restored to their original amount.

The insurance journals of the Eastern States generally advocate the proposed arrangement, and recommend the policy-holders to accede to it. In the case of the Charter Oak we also urge it on the policy-holders of this coast as the best thing that can be done for their interests under existing circumstances. The Charter Oak has got rid of the management which brought it into trouble, and starts anew under the direction of men of the best reputation. The reserves which under the shrinkage of values have been deemed insufficient to cover the contracts as they exist at present, will, beyond question, be more than ample for the reduced liability.

On the subject of the Universal, our course is not quite so clear. This corporation is obstructed by heavy litigation, which will not be altogether removed by the withdrawal of the proceedings in receivership. Of the merit of these suits we are not sufficiently advised, but we know that they were the consequence of questionable conduct on the part of the vice-president, Mr. Furber, and some other officers of the Universal. If the policy-holders deem it for

their interest to comply with the company's proposal, they should make it a *sine quâ non* that Mr. Furber be dismissed. The expurgation should also include Mr. Bewley, the secretary, and Mr. Montague, the actuary, who, to say the least of it, were cognizant of Mr. Furber's malfeasances, and who have appropriated to themselves a large sum of money for which an equivalent does not appear to have been given to the company.

Of the general advantages of such a measure as is proposed by the Charter Oak and the Universal, it is necessary to premise that almost anything is better than a settlement in receivership. The expense of this method is great, and the delays almost interminable. The Continental, which went into receivership in 1876, has not yet declared its first dividend, but it has expended about \$200,000, probably about one-third of the assets which it will have to divide. Another company which went into the hands of a receiver in 1873, still remains with unliquidated assets.

The equity of the proposed compromise is the feature which especially commends it. Policy-holders having death claims, and those with impaired lives, who have no preferential claims on estates in receivership, would be maintained in their proper relative status. Of course, the number of these is comparatively small, and their votes would hardly weigh in the general election, and it may be too much to expect that a consideration for their case will influence the other policy-holders. Opposition, also, is talked of from the holders of endowment policies which may shortly mature. The idea of sacrificing an advantage which they have been accustomed to regard as immediately forthcoming, will probably be more repugnant than if that advantage were more remote, as in the case of an ordinary policy. But this line of reasoning comes purely from the imagination, and does not find a support in financial equity. The holder of the endowment yields only his fair *pro rata*, precisely as the large creditor of an insolvent estate loses positively, but not proportionally, more than the small one.

In conclusion, we are quite alive to the difficulties that would attend the compromising companies in their new departure. New business, which is almost as necessary to the existence of a life company as the arterial flow to the life of a human being, would have to be competed for against the prestige of the many powerful companies whose record is without reproach. This objection applies with greater force to the Universal than to the Charter Oak.

The Influence of Agents in Preventing Fire Losses.

Have agents any influence in the prevention of losses to Insurance Companies by reason of fires?

We should hardly think it worth while to ask this question, were it not that the practice of many agents would seem to indicate the impression that they have no such influence.

Their sole duty, according to such a doctrine, would be to get premiums. But it is manifest that [successful underwriting consists in the realization of the maximum of income with the minimum of loss.

It must be borne in mind that the magnitude of the losses does not depend upon the magnitude of the agency. There may be very large claims arising out of a very small agency, and trivial losses out of a princely agency.

Of course this must often depend purely upon what may be called "the fortune of war." At the same time, taking the subject upon broad grounds, it cannot be doubted that a staff of agents trained to use their influence to avoid doubtful risks, will in the long run be immensely more successful than another staff of equal strength intent only on the quantity of business, and not its quality.

Competition leads to the facile insurance of undesirable risks, and to the acceptance of insufficient premiums. The general training of agents to look at the quality of business would tend just the other way, and would be an immense benefit to the public and those who insure their risks,

There is, or always should be, a "previous question" to that relating to the individual profit on a transaction; and that is—"What is the probability of this place being burnt?" And in answering it, it is by no means sufficient to say it has stood so many years without destruction. There may have been numbers of small accidents, any one of which might, but for fortuitous circumstances, possibly not recurrent, have caused the total destruction.

Another form which the influence of agents in preventing fire losses takes, is the suggestion of plain, common precautions where they are seen to be necessary, needing no technical knowledge, but only a pair of eyes and a sensible mind. There are generally features of a risk which are not seen on paper. The watchful agent on the spot may note them; and, if they are undesirable, have a corrective applied.—*Insurance Agent and Review, London.*

American Doubts.

The sharp articles on the British insurance companies, that have lately emanated from some of our Eastern contemporaries, are provoking retaliation. The *Insurance Agent and Review*, of London, under the heading of "American Doubts," speaks as follows:

"The magnificent proportions of the losses the English companies have been called upon to sustain, of late years, on the other side of the Atlantic, seem to have created grave doubts in the minds of the conductors of certain sections of the press there, whether these institutions will really be able to meet their obligations! Sitting here calmly, it all reads like a joke! Perhaps it is. Our American friends are renowned for the exquisite 'dryness' of their humor.

The *Insurance World* heads an article in its latest number, 'Have they the Cash?' alluding to the payments we have to make for St. Johns. The writer concludes by asking for 'light—more light.' He alludes to several well-known English companies, by name, and we would venture to suggest that he should make his inquiry as to them

in Lombard Street, or any English Exchange! Or perhaps he will repeat his question in a few weeks' time, and it will probably be then found to be very satisfactorily practically answered for him. On this side it would never occur to any one to ask it. It is quite possible there may be, as he hints, 'drafts on London.' If so, it will be discovered in due course that such drafts are about 'as good as gold' or stocks in America.

These doubts are absolutely funny, in the face of the many American failures. The last issue of the *Insurance Age* gives the names of fifty 'fire companies that have either failed, re-insured, wound up, had receivers appointed, or made assessments thus far this year.' Only fifty in seven months!"

Fire and Fire Underwriters.

This is the way the *Real Estate and Insurance Journal*, of New York, puts the situation at that end of the line:

Without enumerating fires where the property destroyed is under \$50,000, we find that there were eleven fires in the States in the course of last month the aggregate loss on which amounted to \$2,555,000—an average of \$232,272. We do not wish it to be inferred that all this has to be replaced by the underwriters; but much of it was insured, and some of it at rates, it is well understood, that ought not to have purchased a policy, and it is more than doubtful if some of the risks ought to have been accepted at any rate. But business appears to be the object of some companies, and to obtain it they abandon discretion and adopt a recklessness in underwriting which is only calculated to waste resources and end in ruin. The companies, however, will not be warned, though they are writing against their judgment, and their only hope is that the chapter of events may transpire in their favor, and thus save them from a fate depending on recklessness.

At this moment two of our city companies are suffering from "shrinkage," and they are constrained to repair the damage or quit the field through an ignominious channel. All companies are to be subjected

to the same scrutiny that has disclosed this adverse state of the affairs of these two companies, and all that are found to be in similar circumstances will be subjected to similar discipline.

We can only advise those who have strayed from the path of safety in their ardor for business, to abandon such a dangerous route, and return with all practicable haste to a course that is known by long experience to be the only one adapted to integrity of purpose.

The North German Ins. Co. of Hamburg.

The above-named company has concluded to try its luck on this side of the waters, and accordingly put up \$200,000 with the State Department of New York, and is now organizing agencies throughout the States, including California. One of the directors of the company, Mr. C. Perger, visited our city during the past month, when the necessary arrangements were completed by which Messrs. Henry Balzer & Co. were made agents for the coast; the North German and the Svea issuing a joint policy, the two being jointly and severally liable for any loss which may occur under their policies. The North German was organized in 1861, and has a subscribed capital of \$1,250,000, of which \$325,000 is paid up. The assets of the company amount to \$427,029, with liabilities of \$114,392, leaving a cash surplus as to policy-holder of \$312,637, exclusive of the subscribed capital not paid up. This accession to the already large list of agency companies doing business in this State can hardly be looked upon as a new company in the field competing for a share of the business, but rather in the light of an accession to Messrs. Balzer & Co's agency, whereby they are enabled to issue a stronger policy, thereby increasing the security of the policy-holders in the Svea. The combined subscribed capital of the two companies is four millions and a quarter, of which \$925,000 is paid. The combined assets of the two are \$2,027,000. The above-named firm also represents the Helvetia Swiss Fire Ins. Co.,

with assets of \$746,277, and three marine companies, viz: the Helvetia General, the Baloise and the Switzerland, with combined assets of \$2,503,385.

Savings Banks and Life Assurance.

The recent failure of the Pioneer Land and Loan Association, popularly known as Duncan's Bank, with the consequent submergence of some other frail institutions of a somewhat similar character, has not shaken the confidence of the community in the system of savings banks. The press did not fail to point out, at least in the case of the Duncan Bank, that the business of this institution had been conducted in a manner hazardous and dishonest, and that there was no analogy between the circumstances of its career and those of the savings banks in general. The good sense of the daily papers in dealing with this matter is much to be commended, but it is in sharp contrast to the course which they generally pursue on the failure of an insurance company. It will be remembered how largely, on the failure of some life insurance companies in 1876, the vocabulary of scorn and satire was drawn upon, not only by the San Francisco press, but by that of the principal metropolitan cities. Diatribes were distributed throughout the country against the defaulting companies, without a word on the other side, except occasionally some damnation of faint praise for the companies of acknowledged reputation. These companies it was impossible to assail directly, but insinuations were not wanting that the whole system of life insurance was rotten, and the public were in substance advised to avoid it. It is easy for us to perceive how much trouble and misery would come to the public from following such advice. Not so easy, however, is it to fathom the cause of that rabid humor which possesses the press when life insurance is the subject of comment. It must be conceded that the system was invented with a good intention, and it can be proved to have been the means

of distributing comfort among a vast number of people, who without its aid would have been miserable indeed. To say that it is imperfect, is but to class it with all other mundane things. On the basis of a percentage of solvency it has a better record than any other corporate business in the world.

While suspending the last assertion for future proof, let us glance at the insolvencies recorded against savings banks in the City of New York since 1871, and compare them with a similar register for the same time against the New York companies of life assurance. This test case is perhaps as unfavorable for the latter as could be selected, but still it tells in their favor.

The number of New York savings banks that have become insolvent since 1871 is 18. The number of their depositors was 40,000, and the deposits amounted to about \$9,000,000. With the exception of three of them, whose aggregate liabilities are \$318,000, all the dividends that are to be expected from these 18 banks have been declared, and the result is a net loss to the depositors of about \$4,000,000. In the same time, and in the same place, although sixteen life insurance companies have retired from the field of business, only 8 have done so in a condition of insolvency. The aggregate deficiency of these 8 companies, is estimated at \$6,000,000, on which, notwithstanding the manipulations of receivers and predatory lawyers, it is generally believed that there will be an average dividend of about 40 per cent. As the policy-holders in these companies number about 60,000, the loss per capita will be about \$60, against a loss of \$100 per capita, which has been entailed on the 40,000 depositors, by the defalcations of the savings banks. Even if the insolvent life insurance companies do not pay one cent of dividend, the experience of the policy-holders will not be more disastrous than that of the depositors in the savings banks, and this is all that for the present we design to claim.

Life insurance, when the worst is said of it, is affected only by the contingencies that come occasionally to all financial institutions,

and we protest against its being singled out for disparagement and condemnation.

Savings Bank Burr and his Crooked Commissions.

If the secret history of such men as Gilman and Duncan could be revealed, it would probably be found that they did not pass suddenly from the habits of reputable business to the commission of felony. In each case, no doubt, there was some preliminary training. The practice of peccadilloes not prohibited by law, and not even condemned except by the sternest morality, presumably prepared the way by which they descended with easy steps to the Avernian pit. A few weeks ago both these men occupied a place in public estimation as high as the present standing of Mr. Burr, and although we are far from imagining that he could ever descend to the level of their degradation, it is well to preach to him the policy of praying for deliverance from temptation; and with this view, we earnestly entreat him to study carefully the prognosis of malefaction. The particular peccadilloes which we have alleged against Mr. Burr, and which we again complain of, belong to the class of actions which is marked by the moral police as dangerous. They stand, it is true, very far from the brink of that abyss which is known as criminality, but still they deflect from the exact centre of rectitude in a degree that is dangerous to salvation.

These reflections have been penned on the supposition that the commissions received by Mr. Burr for insuring the property mortgaged to the Clay Street Bank, of which he is the president, are not placed to the credit of the depositors' dividends, but constitute a fund for his own peculiar benefit. This supposition is not contradicted by the reports of the bank, which do not particularize these commissions as a source of income.

The case standing then as we have imagined it, a wrong is inflicted not only on the mortgagors, who would like the commissions to pass into the hands of the brokers by whose advice their insurance business

is generally regulated, but also on the bank, which pays Mr. Burr a fixed salary for his services, and equitably expects that all profits therefrom shall be passed into the general treasury. But assuming that these commissions *do* constitute a part of the bank's earnings, what shall be said of its financial policy, which drives away the best class of borrowers by declining to loan except under a stipulation which is vexatious and unjust? We have explained in former articles on this subject that Mr. Burr refuses to lend except on the condition that the improvements on the property to be mortgaged shall be insured in companies of his own designation; and we have also indicated the danger of this arrangement by suggesting that there might arise on the part of Mr. Burr a greater solicitude for the commissions to be received than for the future solvency of the companies that pay them. That there is a ground for such a warning we have reason to believe, and that belief is strengthened by the following incident which has been narrated to us for publication, and which we call on the bank to investigate or Mr. Burr to explain:

A piece of property mortgaged to the Clay Street Bank comprised improvements valued at \$7,500. These improvements were, at the time of the mortgage, covered by an insurance for \$6,500—rather more, perhaps, than the proper proportional amount that ought to have been written on them. Mr. Burr, however, did not think so, and insisted on the insurance being raised to \$9,000, \$1,500 more than could possibly have been obtained from the insurance companies in the event of loss, unless under a successful claim for a fraudulent valuation. In this transaction, no doubt, Mr. Burr obtained his commission on the additional \$2,500, but the mortgagor was unjustly taxed for the premium on that amount, or Mr. Burr paid it as matter of illegitimate speculation. In either case, the mortgagor ran the risk of having his claim disputed on the ground of over-insurance.

We have no wish to inflict on the depositors of the Clay Street Bank any anxiety in regard to the standing of that institution.

We believe, in common with the community in general, that it is safe and sound, but in order that these conditions may be maintained, we invite the directors to examine the specific charge that has been made against Mr. Burr, and, if its allegations are proven, to dismiss him from office. These allegations are an attack, not only on his judgment in a matter of ordinary business, but also on his honorable reputation. The character of the custodian to whom are entrusted the people's savings should be like that of Cæsar's wife—not only pure, but even above suspicion.

Form of a Hartford Policy Issued in 1794.

As a memorial of the "good old times," and of the simplicity of modes and customs that prevailed in the State of Connecticut during the pre-nutmeg period, we present herewith a form of the second policy issued by the Hartford Insurance Company. It will be seen therein recorded as a matter of history, interesting or not, as the reader may view it, that William Imlay, Esq., the party insured, had only one house, as the premises are described merely as "this house," without specification of locality. There are no exceptional conditions in the policy, and the insured's averments as to value, destruction and salvage are to be received without question. In these days of frauds on the one hand, and legal perplexities on the other, such a record of simple confidence is quite refreshing and makes us wish that our lot had been cast in Hartford in the days of its Utopian insurance business. It was of such unsophisticated communities that Bishop Berkeley wrote his well-known and much-quoted "course of empire" lines after his visit to the New England States.

"In happy climes, the seat of innocence,

Where nature guides and virtue rules,

Where "biz" is done by men of common sense,

At rates uncut by tricks of knaves and fools."

It will be seen that in the latter couplet we have taken the liberty to slightly alter the good bishop's verbiage, and also to add to his ideas.

Form of the second Policy issued by the Hartford Fire Insurance Co., Feb. 8th, 1794.

WHEREAS William Imlay Esq. of Hartford or whom else it may concern, wholly or partly, Friend or Foe, doth make Assurance on his House against Fire, and all Dangers of Fire; moreover against all Damage which on Account of Fire may happen, either by Tempest, Fire, Wind, own Fire, Negligence and Fault of own Servants, or of Neighbors, whether those nearest or furthest off; all external Accidents and Misfortunes; thought of or not thought of, in what Manner soever the damage by Fire might happen; for the space of one year commencing on the eighth day of February 1794 and ending on the eighth day of February 1795, both at twelve o'clock at Noon valuing specially and voluntarily the said House at the Sum Insured. And the Assured, or whom it may concern, in case of Damage, or Hurt, shall need to give no Proof nor Account of the Value; but the producing this Policy shall suffice. And in case it should happen that the said House, the Whole or Part, are burnt and suffer Damage, on that Account, we do hereby promise punctually to pay and ratify, within the space of three Months after the Fire shall have happened, due Notice having been given to us, and no Deduction to be made from the Sum assured except Two and an Half per Cent. provided said Loss amounts to Five per Cent. under which no Loss or Damage will be paid. And in case of a partial Loss, all that shall be found to be saved and preserved, shall be deducted, after the Deduction of the Charges paid for the saving and preserving; and concerning which the Assured shall be believed on his Oath, without our alledging any thing against it. And so we the Assurers are contented, and bind Ourselves and Goods present and to come, renouncing all Cavils and Exceptions contrary to these Presents, for the true Performance of the Premises, the Consideration due unto us for this Assurance by the Assured, at and after the Rate of one half per cent.

Reciprocally submitting all Differences to two Persons, One to be chosen by the As-

sured out of Three to be named by the Assurer, the other by the Assurer or Assurers, out of Three to be named by the Assured, who shall have full Power to adjust the same; but in case they cannot agree, then such two Persons shall choose a Third, and any Two of them agreeing, shall be obligatory to both Parties.

In Witness whereof, We the Assurers have subscribed our Names and Sums assured in Hartford the 8th Day of February One Thousand Seven Hundred and Ninety-four.

£800, Sandford & Wadsworth,	} Eight hundred Pounds.
for the Hartford Fire Insurance Company.	

Insurance Contracts.

Eames & Cooley vs. Home Ins. Co.

An interesting and important decision has just been rendered by the Supreme Court of the United States, on an appeal from the U. S. Circuit Court for the Southern District of Illinois. Eames & Cooley, the appellants against the Home Insurance Co. of New York, were the owners of a flouring mill at Staunton, Macoupin County, Illinois, which was destroyed by fire on the 28th of October, 1872. The mill had been insured by that company at five per cent., but the policy expired on the 14th of February, 1872. On the 12th of October of that year, Eames, for himself and partner, personally applied to Mr. Beach, the Home's local agent, who also represents the Phoenix of Hartford, the Hartford, and another company, for \$9,000 insurance on the property before-mentioned, and an application to the Home for \$4,000 at 5½ per cent. was forwarded to the general agent, Mr. Ducat, at Chicago. The latter replied to Beach, declining the risk at 5½ per cent., but expressing his willingness to take it at 6½. Beach communicated this reply by letter to Eames & Cooley, who wrote back on this point as follows: "6½ per cent. is pretty heavy, but I guess we will have to stand it, as I don't know where we can do better at present." This was written on the 25th of October, 1872. On the 28th, Beach writes to Ducat for a ticket on Eames & Cooley's

mill, for \$4,000 insurance at 6½, and on the 29th, telegraphs to him not to send this ticket, as the mill is burned.

This, we believe, is substantially a statement of the essential facts, but there are other inferential points which are referred to in this decision. It was held by the Supreme Court, Mr. Justice Bradley delivering the opinion, that the correspondence between Eames and Beach, and Beach and Ducat had the effect of creating a contract. The application was in regular form, the property was fully described, the amount of insurance named, and a certain rate of premium proposed to be paid; the non-payment of premium was a point not raised, as the payment was not required until the policy was delivered. To the objection of the appellees' counsel, that the phrase, "I guess we will have to stand it," was ambiguous and uncertain, it was replied to by the court that "it is a form of expression often used in common speech in this country, to indicate an affirmative statement. It was so understood and acted on by Mr. Beach. It is equivalent to saying 'we will take insurance at that rate', and Ducat evidently understood the negotiation as closed, because he was on the point of sending the ticket when he received the telegram announcing the fire." Ducat, on the 29th of October, in acknowledgment of Beach's telegram, uses these words, "we came very near being caught, but are glad it is no worse. If we had not demanded the additional ½ per cent., we should have had \$4,000 to pay."

It was further held in answer to appellees' objections, that the contract was not incomplete because the appellants failed to specify in their application the period of time during which the risk was to continue, and what kind of policy they wished to have. Eames had applied for insurance also through Beach to the Phoenix and the Hartford, for one year on an ordinary policy, and it was considered that Beach understood that a similar policy, and one for the same period of time, was required from the Home.

The failure of the complainants to set forth in the application the amount and nature of the incumbrances on the property,

and the amount of insurance in other companies, was not, in the opinion of the court, sufficient to set aside their complaint. There was evidence that Beach knew fully all the circumstances, and that he wrote down the answers in the application according to his view of their bearing and legal effect. The defendant on this point was identified with the agent.

The decree of the circuit court was reversed.

Anti-Chinese Incendiarism.

The underwriter, as he is occasionally presented to the popular understanding in the flippant remarks of the daily press, hardly occupies the place in the public estimation to which he is entitled by the importance of his functions. Legislation also looks upon him as something that is dangerous, if not detrimental, and seeks to restrain him by special taxation, and to guide him by stringent and sumptuary laws. Nevertheless, there is nothing in our vast and ramified system of commerce and finance that operates more beneficially to the body-politic, or requires more special culture and general intelligence than the business of an underwriter. He may truly say, with the illustrious originator of the sentence, that "all knowledge is his province." Fluctuations in prices, political and social agitations, increase of crime, and all other questions, social, moral and economical, affect the basis on which he seeks to place the principles of his science. These premises being granted, it would be but logical for this periodical, which professes to be an exponent of all that concerns insurance, to comment on the Chinese question in all its political and economical aspects.

But our purpose is limited at present to a phase of this agitation, which marks a direct and immediate danger to the interests we represent. Open violence against the Chinese having failed of success, it is sought to destroy their property and the property of those who employ them by secret incendiarism, and this crime in this direction has been so frequent of late as to constitute an-

other technical hazard not only in regard to the buildings occupied by the Chinese and their employers, but also on all the property in their immediate contiguity. If the evil rested there, it would be sufficiently hurtful and alarming; but its consequences are of much wider circumference, and pervade the causes of incendiarism in general. The burning of a Chinese dwelling or wash-house is often a prelude to the gratification of malice by the same method against other classes of the community, and sometimes originates that wanton desire for destruction which is one of the contingent symptoms of this class of crime. The burning of grain fields and other property of white men, which we have chronicled from month to month, was probably perpetrated by criminal adepts who had tried their "prentice hands" on Chinese wash-houses.

It is peculiar to the species of arson which we have characterized as anti-Chinese incendiarism, that the criminal can fortify his conscience by the consideration that his motives have some sort of sympathy from the non-criminal classes of the community. He is accustomed to hear the Chinese denounced by respectable and intelligent men as a moral and political evil, and as a cause of that scarcity of employment which is sometimes a circumstance of our working-men's condition. The press of the State, while protesting against violent measures, have unanimously fostered the animosity of race, and we know of no politician who would be willing to risk his chances of success by endeavoring to mitigate the hostile expression of public opinion. Ex-Governor Haight, in his letter to the great Anti-Chinese Meeting in March, 1876, was compelled to admit that so far the immigration of Chinese had not only no diminished the price of white labor, but had been the means of increasing the sources from which that labor is employed; but the ex-Governor's opinion was looked upon as heretical by his own party, and was not endorsed by any other.

Coming, however, to the point immediately at issue, the underwriter finds that the intemperate discussion of the Chinese

question has engendered another hazard against him. It is unfortunate that he can confront this extra hazard only by increasing the rates against the Chinese and all who employ them; or by refusing to write on risks of this description, as either of these measures will be playing into the hands of the agitators, who have given stimulus and encouragement to the crime complained of. But there is a strain of poetical justice in it after all. Many of the employers of Chinese labor have been loud and violent in their denunciation of the Chinese, and it is right that these employers should be mulcted for their intemperance and inconsistency, or that they should bear the risk of a condition of things which they have aided to produce. The public, also, who have done little to confine the agitation within reasonable bounds, will not get off scotfree. They cannot escape the tax that will follow in the wake of destruction.

The National Board of Fire Underwriters.

The semi-annual meeting of this organization was held on the 10th of October. President Baker's address is mainly a lament for the days that are passed, when the machinery of the Board was in active operation, and when the members were held together by good faith and a sensible regard for the interests of the profession in general. The present situation is then reviewed, and attention is particularly directed to the special report of the fire insurance companies doing business in Missouri, which exhibited a general decrease in surplus. We published the statistical table of this report in the last number of THE REVIEW. The president does not despair of the future, and earnestly appeals to the members for the re-establishment of some disciplinary and directing power. The other subjects of the address are the practice of underground insurance, fireworks, and the rewards that have been offered for the conviction of incendiaries. It is proposed that the committee on legislation shall prepare a law for the more effectual restraining of companies

doing business surreptitiously. The outstanding rewards for the detection and punishment of arson are 104 in number, and amount to \$38,300. Two rewards have been paid, one in Lacoma, N. H., for \$500, the other in Michigan City, Ind., for \$250. The executive committee have also paid \$500 in deserving cases where no reward had been offered. The president's address is comparatively brief, and we commend it to perusal.

Our Life Insurance Law.

There are in the United States, outside of the State of California, twenty-nine life insurance companies with large resources and of irreproachable character. Some of these companies have conducted their business successfully for a full generation, and possess a reputation for financial stability which is not surpassed by that of any other corporate organization in the world. Having nearly the whole of America as a field of operation, and having also in some instances extended that field to the commercial centres of Europe, they are naturally indifferent to the business that might be obtained for them among the sparse population of the Pacific Coast. It is therefore not at all as the advocate of these companies that we recommend the policy of placing our State within the area of their protective resources. The legislation that has driven these companies from us is illegitimate. It is the function of the law to compel the performance of contracts, but not to prohibit any unless they are in violation of morality or public policy. The surrender value clause in the life insurance law prohibits the public from making a legitimate contract, which they may consider necessary for their protection and profit, and belongs to a principle which, if applied to the business of an individual, would be deemed at variance with the spirit of the national Constitution. That it has not been resisted on this ground, is probably attributable to the decision of the Supreme Court of the United States, which asserts the right of a State to exclude from its borders corporations of other States even with-

out an allegation of cause. But assuming that the surrender clause can be sustained on the principles of political equity, is it certain that the companies could safely pay surrender values on the computation established by the Legislature? The value to be paid to a retiring member depends on special considerations, which may be very different in different companies. A well-known actuary has asserted, it is true, that the surrender charge of an ordinary life policy may be gauged with as much precision as that of an endowment policy, which expresses exactly the interest of the assured in the event of withdrawal; but this opinion has been disputed by a preponderance of authority. That no company has ever placed the ordinary policy and the endowment policy on the same footing in this respect, goes far to prove that it cannot be done safely. In the times of the greatest competition, when every plan that ingenuity could devise was used for attracting business, no company dared to hold out as an inducement the stipulation to pay retiring members at a fixed valuation for ordinary policies. Some of the companies which have consented to remain here under the operations of the insurance law also recognize the danger into which that law would lead them, and require applicants for insurance to waive their legal rights under the obnoxious clause. A printed form of application now before us declares that such a waiver is one of the bases of agreement between the companies and the assured.

It is not probable that while the surrender clause retains its place in the statute there will be any desire on the part of prudent companies for admission into the State. Nor is it likely that they would ever consent to invest an agent with the enormous powers which the law designs for him. The provision that *any* act, statement, representation, or agreement, done or made by the agent, shall be the same as if done or made by the principal, gives the agent of a life insurance company more power than is possessed by the president or all the officers together, unless they were supported by a majority of the trustees. An agent so empowered might

issue policies for an unlimited amount for the slightest considerations, and the company would be bound by them. A fire insurance agent has this power, it is true, but by the terms of a fire insurance policy it may be immediately cancelled at the will of the company. It has been contended by the advocates of the life insurance law, and this point has been insisted upon by the Commissioner in his report to the Executive, that the surrender value clause has been the means of protecting the public against the depredations of insolvent companies; but this assertion is not supported by the record. The Republic of Chicago, the very incorporation of dishonesty, whose veins were filled with the infected blood of a dozen other insolvent companies, was the first to comply with the law, and that we have not now a representation of companies ready to register under any system which gives them ample time between the grabbing of premiums and the confronting of claims, is due to the general disfavor which has fallen on life insurance companies on account of the recent failures, and not to any preventive machinery that the law can devise. The only way to keep out bad companies is to open the door for the admission of good ones.

A Virginia City Fire Suit—Question of Liability.

A suit has been brought in the United States Circuit Court by the assignees in bankruptcy of a Mrs. Wylie against the State Investment Company of San Francisco, John Doe, Richard Roe, and others, to recover \$23,000, amount of insurance said to have been effected with the defendants by the assignor of the plaintiffs on property now belonging to her bankrupt estate which was destroyed by the great Virginia fire on the 26th of October, 1875. The allegations said to be made by the plaintiffs are in substance as follows:

On or about the 24th of October, 1875, the assignor, Mrs. Wylie, made application to Mr. Hickcox, the Virginia City agent of the State Investment, for insurance on her property there, to the amount of \$23,000.

The agent forwarded the application to the State Investment, which company returned to him a policy made out in accordance therewith, except that the amount written in this policy was only \$5,000. The remainder of the insurance applied for was placed by the State Investment in four other companies, whose policies were also forwarded to Mr. Hickcox by that company, to be delivered to the applicant together with its own policy for the \$5,000. On the 26th of October, 1875, and while such delivery had not been made, there occurred the great fire in Virginia City, and the property alleged to have been covered by the insurance specified was included in the general destruction.

The applicant then went to the agent and tendered the premium, \$800, which the latter declined to take, representing that the application for insurance had not been accepted by his principals. It had previously been arranged between the applicant and Hickcox, on his making some demur on this point, that the premium should be paid on the delivery of the policies, or that some security or guarantee should be given for such payment. All the policies, then, as is alleged, were returned to the State Investment, which company gave back to the four companies the policies that it procured from them, with the statement that no risk had been incurred. The names of these companies are apparently unknown to the plaintiffs, who designate them by the usual legal fictions in the title of the suit. It is probable that their relation to the assignor of the plaintiffs will involve some points of legal subtlety. As the case has been propounded for judicial decision, we now give simply a statement of the allegations that are said to have been made by the plaintiffs. It would not be seemly at this stage of the proceedings to comment on their legal bearings.

The suit was originally commenced in the 19th District Court.

—The Phoenix Fire Insurance Co. of Hartford, and the Aetna Fire Insurance Co. of same place, have declared quarterly dividends of five per cent.

The New York Life Insurance Co. —Favorable Report.

Just as we are going to press with our last form, there comes to us the *New York Tribune*, of the 25th October, containing the report of Superintendent Smyth on the examination instituted by the New York Insurance Department into the affairs of the New York Life Insurance Co. We will give an extended notice of this examination in our next issue; and, in the meantime, we quote a small portion of the Superintendent's report. It will be seen that all the items reported by the company have been verified:

"Having completed a searching examination into the affairs of the New York Life Insurance Company, it affords him unqualified pleasure to be able to make public the gratifying fact that the result is most satisfactory. Every item of liability, real and actual, or contingent, as sworn to by the officers in the last annual report made to the Department, has been closely scrutinized, and the statements in said report found to be true to the letter, and no other liabilities were found to exist. The system of book-keeping adopted by the company after many years of experience, seems to be perfect, judged by the hardest test that could be applied under the law.

The net surplus over all liabilities amounts to \$5,962,878.79. He finds the titles to all property on which the company holds mortgages, or which it owns entirely, satisfactory, and the valuations of the department of such property agree substantially with those of the company. The cash securities of the company, costing \$9,730,529.91, are of the most unexceptional character, and are worth \$580,515.76 more than cost. The total gross assets amount to \$33,199,869.45. The Superintendent, in conclusion, says that he has no hesitation in stating that this great corporation is entitled to the public confidence, and its officers to his warmest commendations."

The result of this examination is what was expected by all who are familiar with the history of this long-established and estimable company.

New York Fire Insurance Stocks.

Date of Organization.	Company.	Capital.	Net Book value, July 1, 77.	Last sales.
1858	Adriatic.....	\$200,000	\$120.18	71
1871	Ætna.....	200,000	125.00	99½
1857	American.....	400,000	168.79	148
1873	Amity.....	200,000	102.62	71
1853	Arctic.....	200,000	101.00	45
1859	American Ex.....	200,000	135.60	110
1871	Atlantic.....	200,000	143.00	105
1871	Brewers & Malts..	200,000	115.00	50
1833	Bowery.....	300,000	240.00	205½
1849	Broadway.....	200,000	254.25	217
1824	Brooklyn.....	153,000	261.01	210
1836	Citizens.....	300,000	230.46	185
1833	City.....	210,000	188.00	136
1850	Clinton.....	250,000	166.00	153½
1853	Columbia.....	300,000	107.00	60
1850	Commercial.....	200,000	180.16	153
1853	Continental.....	1,000,000	190.20	140
1859	Commerce.....	200,000	101.00	80
1836	Eagle.....	300,000	275.00	215½
1850	Empire City.....	200,000	157.05	123½
1873	Emporium.....	200,000	100.50	98
1853	Exchange.....	200,000	166.57	122
1872	Farragut.....	200,000	181.50	138
1825	Firemen's.....	204,000	151.81	113
1858	Fireman's Fund..	150,000	110.00	66
1859	Firomen's Trust..	150,000	167.75	117½
1876	Franklin.....	150,000	100.02	100
1857	Gebhard.....	200,000	95.38	66
1834	Greenwich.....	200,000	261.00	307
1859	Germania.....	500,000	230.00	170
1872	German-Amer'n..	1,000,000	164.66	115
1833	Globe.....	200,000	168.32	133
1875	Guaranty.....	200,000	95.00	30
1865	Guardian.....	200,000	127.75	93
1862	Hamilton.....	150,000	194.30	138¾
1852	Hanover.....	300,000	201.87	120
1864	Hoffman.....	200,000	157.00	100
1853	Home.....	3,000,000	134.00	105
1853	Hope.....	150,000	125.00	80
1825	Howard.....	500,000	136.00	111
1859	Import's & Trad's	200,000	158.00	112½
1872	Irving.....	200,000	127.50	91
1824	Jefferson.....	200,000	150.00	131
1787	Knickerbocker...	280,000	123.43	102
1858	Kings County.....	150,000	239.00	172½
1856	Lafayette.....	150,000	204.00	150
1872	Lamar.....	200,000	157.50	102
1853	Lenox.....	150,000	150.00	100
1833	Long Island.....	200,000	.....	170½
1871	Lorillard.....	300,000	134.50	95
1872	Manhattan.....	250,000	222.00	135
1870	Manufs & Build's	200,000	201.83	140
1857	Mechanics.....	150,000	221.39	170
1853	Mech. & Traders.	200,000	250.00	163
1852	Mercantile.....	200,000	130.63	92
1850	Mercants.....	200,000	194.76	170
1857	Montauk.....	200,000	161.50	145
1862	Nassau.....	200,000	214.75	190

1838	National.....	200,000	162.00	113
1823	N.Y. Equitable..	210,000	250.00	198
1832	New York.....	200,000	194.00	136
1872	New York City...	200,000	111.00	70
1876	N.Y. & Boston...	200,000	100.00	40
1850	Niagara.....	500,000	198.00	115½
1822	North River.....	350,000	138.50	117½
1851	Pacific.....	200,000	303.71	240½
1853	Park.....	200,000	160.00	128
1851	People's.....	150,000	187.50	160½
1853	Peter Cooper.....	150,000	243.00	185
1874	Produce Exch.....	200,000	103.65	87½
1853	Phoenix.....	1,000,000	183.93	160
1855	Relief.....	200,000	140.00	92½
1852	Republic.....	300,000	122.50	80
1857	Resolute.....	200,000	101.00	65
1873	Ridgewood.....	200,000	145.00	110
1853	Rutgers.....	200,000	208.72	175
1872	Safeguard.....	200,000	165.50	125
1859	Star.....	200,000	177.42	127
1864	St. Nicholas.....	200,000	129.78	90
1851	Stuyvesant.....	200,000	180.00	159
1852	Standard.....	200,000	184.23	125
1864	Sterling.....	200,000	146.03	95
1858	Tradesmen's.....	150,000	229.00	152
1824	United States.....	250,000	200.00	150½
1853	Williamsb'g City.	250,000	272.65	195
1837	Westchester.....	300,000	172.00	111
1874	Metropol. Pl. Gl.	100,000	115.00	105

OTHER INSURANCE STOCKS.

Hartford.

LIFE INSURANCE.

	Bid.	Asked.
Ætna.....	450	500
Continental (par \$25).....	23	25
General Life.....	90	91
Hartford Life and Annuity.....	55	60
Travelers (Accident).....	173	174

FIRE INSURANCE.

Ætna.....	220	222½
Atlas.....	40	46
Hartford.....	225	227
Phoenix.....	191	193½
National.....	148	150
Orient.....	106	108
Connecticut.....	110	115
Steam Boiler (par \$40).....	55	60

New Orleans.

	Bid.	Asked.
Crescent Mutual, p. v. 100.....	73½	74½
Factors and Traders, p. v. 10.....	99	101
Germania, p. v. 100.....	—	55
Hibernia, p. v. 100.....	72	—
Home, p. v. 40.....	19	22
Hope, p. v. 100.....	48½	50
Lafayette, p. v. 70.....	17	—
Merchants Mutual, p. v. 100.....	40	45
New Orleans Ins. Ass'n, p. v. 30.....	26½	—
New Orleans Ins. Co., p. v. 50.....	34½	37
People's Ins. Co., p. v. 25.....	14½	15
Sun Mutual, p. v. 100.....	98½	—
Union, p. v.....	39	—

St. Louis.

	Paid up.	Bid.	Asked.
American Central.....	25	18½	—
Boatmen's Ins. & Trust Co.....	40	5	—
Citizens'.....	100	97½	—
Franklin.....	100	—	67½
Jefferson.....	100	—	70
Marine.....	100	70	—
Pacific.....	55	15	18
Phoenix.....	100	70	—
St. Louis.....	100	65	—

San Francisco.

	Bid.	Asked.
California.....	105	110
Commercial.....	90	92
Fireman's Fund.....	105	110
Home Mutual.....	85	90
State Investment.....	95	100
Union.....	110	112

Saw-Mill Lyrics.

Mr. W. B. Cornell, of the North British and Mercantile, is responsible for the following perpetration, which was read by him at the recent meeting of the Underwriters' Association of the North-west at Chicago. Mr. C's fun is only that humor which comes from the superfluity of intellectual strength. As a specimen of his business qualifications, we recommend the reading of the whole of his contributions to the literature of the Association.

I met a youth of apprehensive mien,
With troubled face, tho' all around serene,
With eye expectant and each sense alert,
As if possessed of constant fear of hurt,
Who started wildly from his constrained poise,
And at any sudden or unusual noise,
And stared around him with a troubled eye,
In fear of *something*, that he fancied nigh.
My curiosity was at fever height,
And thus I spoke unto the restless wight:
"Please tell me why you seem without repose?
And unto me your troubles all disclose,
Tell me in confidence, I will be your friend,
And will advise you when you reach the end."
He viewed me for a moment, my sincerity to scan,
Then seemed contented and his story thus began:
"Know then that I was born in the town of
Manistee,

That my father owner of saw-mills, always one
and sometimes three,
Into this weary world, beforetime I was turned,
My advent was pre-hastened; one of those saw-
mills burned.
And ever since my birth, I have all through my
years,
Been living little on my hopes, but most upon my
fears;

In day, an e'en at night, when rest I'd most re-
quire,

Then came the oft-recurring cry—"the saw-mill
is on fire!"

Impatiently I waited, taxed most beyond endur-
ance,

"Excuse me, sir," I said, "did you have no in-
surance?"

"We did," said he, and *smiled*, but we are unde-
cided still,

*Whether we insured the company, or they insured
the mill."*

Fire Record.

The fires for the term between our last
and present issues have not been so numer-
ous as in the term preceding, but there have
been two of considerable magnitude.

The first occurred at Vacaville on the 11th.
This is the second conflagration in this place
within the last three months, but the insur-
ance companies can derive from it this con-
solation that it has left nothing for another
blaze. The principal business portion of
the town has been swept away by the two
fires. The last one is supposed to have been
the work of an incendiary, and a druggist
of the place has been arrested on suspicion.
The insurance losses are as follows:

Phoenix, Hartford.....	\$2,000
Home, N. Y.....	1,100
*Liverpool & London & Globe.....	12,730
Ætna, Hartford.....	2,750
Ins. Co. of North America, Phil.....	2,558
American, Phil.....	2,550
Pennsylvania, Phil.....	2,558
London & Lancashire.....	2,558
Royal Canadian.....	3,000
New Zealand.....	240
Home Mutual.....	2,175
American Central, St. Louis.....	1,500
St. Joseph, Mo.....	1,500
Fireman's Fund.....	5,900
Hartford.....	2,000
Imperial & Queen.....	8,000
Fire Association.....	2,000
State Investment.....	250

*\$2,889 reinsured.

The other big fire was the burning of the
wood pile belonging to Yearington, Bliss &
Co., one mile south of Carson City, Nevada.
This occurred on the evening of the 2d inst.,
and at one time threatened to destroy about
75,000,000 feet of seasoned wood. The
damage, however, was confined to \$42,500

worth of wood, which was insured for \$40,000, and paid by the following companies:

Liverpool and London and Globe.....	\$10,000
North British & Mercantile.....	10,000
Etna.....	5,000
Fireman's Fund.....	5,000
Imperial & Queen.....	10,000
Total.....	\$42,500

There was no salvage, as the section which contained the property insured as above was almost completely destroyed. Incendiarism supposed.

The smaller fires are as follows:

Oct. 18—Sacramento; barn, supposed to have been burnt by tramps; loss, \$400, insured in

North British & Mercantile.....	\$300
---------------------------------	-------

Oct. 6—Columbia, Cal.; store, dwelling and contents.

California Farmers.....	\$2,900
-------------------------	---------

Oct. 15—Knight's Landing; barn.

California Farmers.....	\$2,000
-------------------------	---------

Oct. 30—Napa; dwelling and contents.

California Farmers.....	\$900
-------------------------	-------

Oct. 20—Valencia Street; S. F. Spring-bed Factory.

Guardian.....	\$96
London Assurance.....	94

Oct.—Gilroy; Chinese store.

Security.....	\$300
---------------	-------

Oct. 22—Walnut Grove, Cal.; Chinese stock.

Manufacturers' N. J.....	\$1,500
Security.....	1,500
Arctic, N. Y.....	1,300

Oct. 4—Nevada City; groceries and brick store.

Etna.....	\$500
-----------	-------

Oct. 17—Pt. Arenas, Cal.; frame store and merchandise.

Liverpool & London & Globe (on stock).....	\$3,000
Scottish Commercial.....	1,000
Imperial and Queen.....	2,000

Oct.—Sutter Creek; dwelling and contents.

Union.....	\$1,000
------------	---------

Oct. 16—Sacramento; brewery and dwelling.

Firemen's Fund.....	\$1,300
---------------------	---------

Oct. 4—Oakland; dwelling.

Commercial Union.....	\$600
-----------------------	-------

Oct. 6—Volcano; dwelling.

Commercial Union.....	\$600
-----------------------	-------

Oct. 6—Eureka, Cal.; barn and contents, North British & Mercantile.....\$1,184

Oct. 11—Berry Street, city; dwelling.

Svea.....	\$259
Helvetia.....	172

Oct. 11—Sacramento; dwelling.

Royal Canadian.....	\$500
---------------------	-------

Oct. 17—Merced County; barn.

Royal Canadian.....	\$900
---------------------	-------

Oct. 2—Oakland; Johnson's saloon.

Phoenix, of Hartford (on building).....	\$700
Atlas, of Hartford (stock).....	400

Oct. 6—San Jose; dwelling.

Phoenix, of Hartford (on building).....	\$429
Continental (on contents).....	303

Oct. 17—Los Angeles; dwelling.

Home, of New York.....	\$1,500
------------------------	---------

Oct. 17—Merced; barn.

Imperial, Northern & Queen.....	\$1,800
---------------------------------	---------

Oct. 7—Sacramento; barn and contents.

Imperial, Northern & Queen.....	\$1,750
---------------------------------	---------

Oct.—Gilroy; dwelling.

Home Mutual.....	\$500
------------------	-------

Oct. 11—Magalia; dwelling.

Commercial (on building).....	\$400
New Zealand (on stock).....	350

Oct. 25—City, between 19th and 20th Streets; dwelling and contents.

Hamburg-Bremen.....	\$600
---------------------	-------

Oct. 6—Soquel; shingle mill and machinery.

State Investment.....	\$350
-----------------------	-------

Oct.—Encino Ranch, Los Angeles Co.

Imperial & Queen (on building).....	\$ 846
Hartford.....	1,300
Northern.....	1,300
Transatlantic (on stock).....	2,500

On the night of the 1st inst. a fire broke out in the Golden Gate Flouring Mills, in this city, owned by Horace Davis & Co. The fire originated, it is thought, in the smut-room, and spread with great rapidity. The Fire Department responded promptly, as did the Fire Patrol, and the flames were confined to the fifth story. The patrol covered a considerable amount of goods on the lower floors, preventing much damage by water.

Messrs. W. J. Landers and L. L. Bromwell were appointed a committee to adjust the loss, and, by proper precautions and prompt action, saved a large amount to the Underwriters by disposing of the damaged

wheat at auction, realizing a good figure for the same.

The total insurance on building, machinery, stock and tools, was \$42,500, divided as follows :

Phoenix, of Hartford.....	\$2,500
Home, of New York.....	2,500
Guardian, of London.....	5,000
Commercial Union, S. F.....	5,000
Ins. Co. of North America, Philadelphia.....	3,000
Pennsylvania Fire, Philadelphia.....	1,000
American, Philadelphia.....	2,000
Underwriters', of N. Y.....	1,500
Ætna, of Hartford.....	1,500
Royal and Norwich Union.....	2,500
California, S. F.....	5,000
Svea, Gothenburg.....	4,000
Fire Association, of Philadelphia.....	2,500
Helvetia, St. Gall.....	2,000
New Zealand, Auckland.....	2,500

The loss has been settled as follows:

Stock.....	\$3,197.37
Building.....	2,148.50
Machinery.....	3,500.00

Total damage.....\$8,845.87

Oct. 14.—A dwelling and contents near Centerville, Cal.

St. Paul.....\$500

CHIPS.

—Water impregnated with alum or potash is recommended for use in extinguishing fires.

—Among the assets of Thiers' estate were two shares of a French fire company, which are worth about \$50,000.

—A commission of naval officers at the Brooklyn Navy Yard have been experimenting with Zapfle's chemical fire extinguishing compound and the "protective fire annihilator." The result will soon be made known.

—During the current generation the losses by life insurance failures has been \$12,000,000—only three per cent. of the present assets of the life insurance companies, which amount to \$400,000,000. The business failures in the United States for the past six years and a half were for \$1,081,830,290. Railroad foreclosures and defaults were in one year during that period, \$912,509,000, and shrinkage in stocks of corporations, \$145,426,701.

—Bank interest in Australia is 5 per cent. per annum.

—Bound volumes of the *Insurance Journal* and the *Western Insurance Review* have reached us. The senders will please receive our thanks.

—The Atlantic Mutual Life, it is said, will endeavor to get out of receivership by arrangement with the policy-holders for a reduction on the face of policies.

—The receiver of the New Jersey Mutual Life requires all claims to be presented within six months from the 27th of August last.

—The *Headlight* is the name of a new insurance journal published in New York City. No. 1, which we have received, is edited with respectable ability.

—The *Monitor* is still wasting its dental vigor on the Home Insurance Company. A perusal of the file fable is respectfully suggested to that journal.

—Lewis C. Grover, president of the Mutual Benefit, denies that the company is pushing one of its officers for a political place in New Jersey.

—Superintendent Smyth, of the New York Department, requires life insurance companies to furnish him with the names and addresses of all their policy-holders.

—Mr. Alliger, of Alliger Bros., the United States managers for the Commercial Union of England, who were said to be in default to that company, has arrived in New York from London. The affairs of the New York office are now in the hands of the secretary of the Commercial Union, who is assisted by one of the London directors.

—A writing which was in a safe during the Boston fire, and was thoroughly charred, has been restored to legibility by a chemical process. It was the warranty deed of a slave sold in 1758. Persons having in view the possibilities of such restorations are advised to use good black ink. It is asserted that with purple and violet inks the restoration is impossible.

—The St. Louis Insurance Company and the Phoenix Insurance Company of St. Louis have reinsured in the Queen Insurance Co. of England.

—The stock of the National Life Insurance Company of the U. S. A., owned by the insolvent Republic, has been purchased by the managers of the former.

—A money broker who offered to "make it all right" with the loan clerk of the New York Life Ins. Co. was kicked out of the office.

—Some Security Life policy-holders have applied to the courts for orders to direct the receiver to sue for the recovery of dividends paid while the company was insolvent. The motions have been denied.

—Brown & Desmond, general agents of the Lycoming and the French Corporation, have removed from 306 Sansome Street, to more commodious offices at 410 California Street.

—Mr. Thomas S. Chard, the author of the paper on "Combinations," read at the recent Underwriters' Meeting at Chicago, has combined in marriage with Miss Ada P. Whitney.

—Laura H. Wright, wife of Paul Wright, a suicide, has recovered from the Mutual Benefit of N. J. \$5,000, the amount of a policy on his life in that company. The jury considered it a case of insanity.

—Smith, of Memphis, Tenn., having life policies for \$25,000, tried the not uncommon dodge of bogus drowning. The companies did not pay the claim, and Smith is at present as well as could be expected.

—The *Chronicle's* recapitulation of fires in the United States and Canada for September 1876 and 1877 is as follows:

September.	1877.	1876.
Aggregate losses	\$7,199,400	\$5,912,800
" " to insurance companies.....	3,494,400	2,602,500
Aggregate losses by specials.....	5,281,200	3,770,500
" " to insurance companies by specials.....	2,429,900	1,777,100
Number of fires.....	847	715
Number of specials burned	480	341

—Philadelphia has 143,000 dwelling houses.

—The Arctic Fire Insurance Co. has reinsured its risks in the Imperial, of London.

—"Exhausting Receivers" is the latest addition to the technology of insolvent life insurance.

—Jay D. Cady, a Pittsburg insurance agent, has been committed on a charge of embezzling money from the Miss. Valley Ins. Co.

—Receiver Wickham, of the Security Life, is said to have realized already \$25,000 from suits against stockholders for illegal dividends.

—At the recent fire at the Patent Office, Washington, the engines from Baltimore came to the rescue in fifty minutes. The distance traveled was 44 miles.

—Ed. Kalisher & Co., insurance brokers, have removed their office to 310 California Street, in the office recently occupied by the agency of the Continental Fire Ins. Co.

—Newspapers had better beware of attacking savings bank managers. In 1869, the San Francisco *Evening Tribune* was killed for calling Duncan a fraud, and the editor was sentenced to six months' imprisonment.

—Henry C. Morris, insured in the American Life Ins. Co. of Philadelphia, disappeared on the 1st of March, 1861. Seven years after suit was brought for the insurance, and a verdict was given for claimant. On appeal, this verdict was overruled on the ground that the evidence of death was insufficient. Further searches have, however, established the fact that Morris is as dead as Julius Caesar.

—Mr. J. T. Griffiths, of Sacramento, has been appointed general agent for the Phoenix Insurance Co. of Hartford and Home Insurance Co. of New York. Mr. Griffiths is a gentleman well and favorably known to the citizens of Sacramento County, having been a resident of Sacramento City for many years, and will no doubt give a satisfactory account of operations in his territory to his excellent companies.

—The suit of the receivers of the St. Louis Mutual Life *vs.* the Columbia Life is drawing to an end.

—The Stadacoma Fire Insurance Company will pay its policy-holders 25 per cent. in cash, and the balance in six and nine months.

—The suit against the receiver of the North America Life Ins. Co. for the purpose of restoring it to a condition of solvency, was set down for argument of demurrer on the 26th of October.

—T. C. Rice, of Worcester, Mass., is the inventor of a fire-escape, which has been tested in Boston and pronounced a success. The novel principle is a lever by which the person escaping can regulate the rapidity of his descent.

—Dr. Lamber, late president of the American Popular Life Insurance Company, is the champion Know-nothing of the period. He does not know anything about the policies, stocks or bonds, and did not know he was president of the company until some one told him so.

—Horace Gorvan's widow sued the Travelers' Ins. Co. for \$3,000 on an accident policy. It was claimed that he died from the effect of a fall. The jury found the cause of death to have been typhoid fever, and gave a verdict for the company.

—Mr. David B. Blair has assumed the sole management of the Pacific branch of the Scottish Commercial, Mr. Hart retiring. Mr. H. E. C. Ewing, one of the managing directors of that company, was lately on a visit to this city.

—The Berlin-Cologne has satisfactorily explained the uncollected premium item to which we objected in our June number. The Commissioner has also investigated the matter by correspondence with Germany, and verifies the company's explanation.

—The Home Ins. Co. of New York is the only American fire insurance company represented in Europe. Its reinsurance agency in Paris takes annually about \$100,000 in premiums.

—Messrs. George D. Dornin, G. W. Spencer and T. C. Grant have gone to Carson to adjust the cord-wood loss.

—W. Gordon Reed, the special agent of the American branch of the Royal Canadian, is here on a tour of business inspection.

—The Home Insurance and Banking Company, of Texas, has gone into the hands of a receiver, one George Marckmann, Galveston. This is one of the results of the late fire in that city.

—A reward of \$1,000 for the arrest and conviction of incendiaries has been offered by the Board of Supervisors of Alameda County. Another reward of \$1,000 for a similar purpose has been offered by the underwriters.

—The loss on the glass works in this city, which was damaged by fire on the 25th of September, has been settled by the companies for 65 per cent. of the insurance mentioned in our October issue.

—E. Potter, of the firm of Potter, Jacobs & Easton, has just returned from the East, having procured the agencies of the Commonwealth of Boston and the Boston Underwriters. The former's paid-up capital is \$500,000, and the latter's, \$600,000. The assets of the Boston Underwriters, which is composed of the Washington and the Elliott Insurance Companies, amount to \$1,500,000, and the assets of the Commonwealth are about \$750,000. The coming of these companies is an important addition to the business facilities of Potter, Jacobs & Easton.

—And still they come. The Universal Marine Insurance Co. and the Marine Insurance Co., both of London, England, have complied with the laws of California, and are now ready to issue policies. The Universal Marine has a paid-up capital of \$1,250,000, and assets of \$2,500,000, and is represented by Messrs. Geo. J. Theobald & Co., 419 California Street. The Marine has a paid-up capital of \$900,000, with assets \$3,710,000, and its agents are Messrs. Williams, Blanchard & Co, 218 California Street.

—A new fire company is in progress of organization in Baltimore, to be called the German-American Fire Insurance Company of Baltimore. The capital is to be \$200,000.

—The Guaranty Fire Ins. Co. of New York has reinsured its risks with the Royal Ins. Co. The Guaranty had a capital of \$200,000, and commenced business in 1875. The risks transferred to the Royal amount to \$7,000,000.

—The other day a mean man out in western Iowa went off into a quiet country place and died so quick that his wife got his insurance money before the company had time to fail. The president says he never felt so swindled and cut up since he has been in the business.—*Hawkeye*.

—We have received a newspaper with a marked article; also a circular from one Ira Cornwall, St. John, N. B., in both of which it is stated that Mr. Cornwall is a first-class fellow, and that he has an opening for some first-class fire and marine companies. The recent "opening" at that point for fire companies proved so disastrous to said companies that we fear Mr. C. will fail in his efforts to get many companies to see it in the same light that he does.

—W. J. Callingham & Co., 213 Sansome St., general agents for the Royal Canadian and South British Insurance Companies, on this Coast, announce their readiness to accept marine risks on hulls and cargoes, for the South British Insurance Company.

—It is stated that the absconding Duncan, president of the defunct Pioneer Bank, and "receiver" of all its assets, recently effected insurance on his life in different companies, aggregating the sum of \$90,000.

—It is understood that the Superintendent of the New York Insurance Department, Mr. Smyth, feels it his duty, in order to preserve his own personal and official reputation, to remove the Deputy-Superintendent, Mr. John A. McCull, Jr., a gentleman, judging from current reports, with more brass than brains.

—The Transatlantic Insurance Co., of Hamburg, has recently opened agencies in the Eastern States. This company has been doing business in this State since 1873.

—The insurance commissioner of Missouri is looking after that class of companies doing an underground business in that State. Wonder if Foard could find any of that class operating in California. He might try.

—The complications arising from the re-insurances, amalgamations, and receivers of St. Louis life companies, with the changes of policy-holders from one company to another company, are so many that the citizens of that quiet city of the West, immediately after a man introduces himself as an insurance agent, go to their safe, get their policy, and hand it to the agent, with the remark, "where are we now?"

—It is said that a *respectable* agent placed a \$3,000 risk on a crockery stock on Wabash Avenue, Chicago, with another respectable agent representing a respectable company, at 75c. This may be *underwriting* in Chicago, but our people would call it *undercutting* here.

—The losses by the Pittsburgh riots are estimated as follows:

Railroad Company.....	\$2,500,000
Keystone Hotel Co.....	250,000
Pullman Car Co.....	80,000
Individuals.....	100,000
Total.....	\$2,930,000

—The case of the Capital Furniture Co. *vs.* the St. Paul Insurance Co., which was tried in the United States Circuit Court in this city last week, was taken under advisement. A full text of the discussion will appear in our next number.

—Gilbert J. Shaw, of St. Louis, sues the N. B. & Mercantile for \$35,000 insurance on a mill and machinery destroyed by fire. The defense is, false representations.

—The secretary of the Underwriters' Association of the North West will please receive our thanks for the report of proceedings.

—Among the callers at **THE REVIEW** office last month, we note Mr. John J. Hays, of Redwood City. Mr. Hays represents several good companies, among them the New Zealand, Fire Association and others.

—The Commercial Insurance Company has removed to the handsomely furnished and commodious offices at 405 California Street, the building originally occupied by Mooney's Insurance Company and subsequently by the lamented Duncan and the dilapidated Pioneer. The secretary of the Commercial informs us that he has carefully fumigated the premises, and taken other measures to prevent infection.

—The California Farmers has abandoned the mutual principle in regard to all future business, and will ultimately resolve itself into a purely stock company. Mr. Blanchard has retired from the presidency and has been succeeded by Mr. Thomas Flint, of Flint, Bigsby & Co. The accession of this gentleman to the office will undoubtedly give more tone and vigor to the management.

—Sir William Thomson, an English physician, has taken a patent for a new mariner's compass. It is destined, it is said, to render great service to navigation. By its means voyages will be safer and more rapid. Many English ships have adopted this invention.

—Oliver Hawes and "Gentleman Jones" have discontinued their subscription to **THE COAST REVIEW**. Now this was aimed at **THE REVIEW** as the death-stroke, and it undoubtedly would have been, but for the fact, that Burr, of the Clay Street Bank, and Weber, of the Humboldt, came to its rescue, and promptly subscribed for the paper, ordering it "for life or during the war."

—London has 4,000,000 inhabitants and covers 700 square miles. It contains more Roman Catholics than Rome; more Jews than Palestine, more Scotchmen than Edinburgh, and more Irishmen than Dublin. There are 7,000 miles of streets. The population increases 45,000 annually. It registers 117,000 habitual criminals, and has 23,000 prostitutes and 38,000 drunkards.

—The population of the world according to Dr. Farr is 1,424,000,000.

—Gas seems to be growing in disfavor. In Brooklyn, New York, nearly every shop is lit with kerosene, and in England some of the large cities propose to use electric lights. The gas men look blue about it, and the underwriters are not pleased at the more extensive use of kerosene.

—Hay, grain, and such contents of barns become, when heated, conductors of electricity. The frequent fires in barns in the Eastern States from lightning is said to be attributable to this cause.

—The American National Life and Trust Company and the American Mutual Life Insurance Co. have been restrained from doing business in Connecticut. These companies had been consolidated under the name of the National Capitol of Washington, with Ben Noyes as chief engineer.

—**THE REVIEW** acknowledges the receipt of the "New York City Insurance Directory," and the "Philadelphia Insurance Directory," for the year 1877, as published by S. E. Cohen of the *Underwriter*, Philadelphia. These directories contain the names, location, etc., of all the companies, agents, agencies, adjusters and brokers, in the two cities above-named; also several other items of interest, and are sold for fifty cents each.

—The insurance involved in the latest St. John fire is thus distributed :

Provincial.....	\$8,100
Lancaster.....	3,000
Northern.....	6,500
North British and Mercantile.....	5,900
Queen.....	16,200
Citizens.....	7,850
Royal Canadian.....	600
Canada Fire and Marine.....	7,050
Ætna.....	3,000
Hartford.....	3,200
Imperial.....	6,900
British-American.....	500
Farmers and Isolated Risk.....	900
Western.....	200
National.....	500
Guardian.....	4,000
Central.....	2,000
Total.....	\$73,850

—If it wasn't for the mysterious air, the wise look, and good clothes, what a deuced small capital some would have invested in their business.

—What a cheerful, and we may say exhilarating color the dexterous attorney gives a questionable claim against insurance companies. When there is no law, the case is chuck full of equity and *vice versa*.

—If there is anything more painful than losing a gilt-edged risk by under-bidding, it is witnessing the undercutter's attempt to make a partial loss of a clean total on the same. (In a horn.)

—The beauties of free and open competition, and "rating each hazard on its individual merit without arbitrary or vexatious interventions," is being most energetically carried out by a few surviving companies east of the Rockies. Why are rings and combinations created to curb the display of such underwriting tact, judgment and skill?

—It is to be regretted that our experience in insurance becomes extended. We must all admit that there was not anybody who knew half as much as we did the *first* year of our underwriting experience. How this notion hangs on to some of the brethren until they accidentally run against a stump.

—A suicide in Brooklyn, N. Y., is one of the consequences of a life insurance failure. The public will be sorry to learn that it was committed by a deluded policy-holder, and not by the president of the defaulting company. The mode of exit was original. The unfortunate man destroyed himself by holding his head in a wash-tub full of suds.

—Newspaper advertisements are not fashionable in California. Hire a boy with a paint pot "Use Brandeth Pills"—"insure in the Fiji Ins. Co."—"Kelly the poor man's friend"—"The Fiji has a capital of \$5,000,000"—"Read the *Bugler*." These artistic literary embellishments on back fences, out-houses, and Goat Island rocks, furnish food to the thoughtful and lend a great dignity to the advertisers.

—The annual report of the Western Assurance Co., of Toronto, made at the meeting which was held in August, shows, notwithstanding the dull times, low rates, and big fires in Canada, a net profit of \$30,000 on the year's business.

—J. W. Staples, Esq., the courteous, efficient and genial adjuster, has removed his office from 313 to 321 California Street, up stairs, in room adjoining Scottish Commercial's office, where he will be pleased to see his friends and acquaintances, especially if they have any adjustments or special work they desire to intrust to him.

—Messrs. Bentley & Palmer have recently been appointed agents for Alameda County of Messrs. Farnsworth & Clark's companies. These new agents are energetic, courteous and honorable gentlemen, and we predict for them and their excellent companies a successful business in that field.

—The Pacific Coast branch office of the New England Mutual Life Insurance Co., of Boston, Mr. Wallace Everson, general agent, has removed from the Nevada Block to very handsome and commodious offices, 328 Montgomery Street, Safe Deposit Building. In these days of failures of life insurance companies, savings banks, etc., it might be in order to state that the New England Life Insurance Company is one of the very *best* of the country—a company against which there was never a word uttered, not even by the enemies of life insurance. The New England has been in active operation about 40 years, has paid all claims with commendable promptitude and fairness, has been careful in its selection of risks, economical in management, and from all that can be judged of its past record, it will continue its good work during the next century. The assets of the New England now reach \$1,500,000, with over \$2,600,000 surplus to policy-holders.

—The failure of Cross & Co., the particulars of which have already been made public, is a subject of much regret to the many friends of that long-established and enterprising house. Their agencies for the Lon-

don Assurance and the Western of Toronto are not at all affected by that event, and still remain with them under the direct management of Mr. G. E. Butler.

—The truth remains at the bottom of the well, and this truth is that the New York Life is not only impregnable, financially considered, having \$33,000,000 of assets and \$6,000,000 of surplus, but is also unimpeachable as respects its management in every department, whether that of Mr. Beers or the other officers. And whatever weakness or cause for alarm the life insurance field in general may develop, the public mind may rest perfectly easy regarding the sound condition and honest administration of a company named in honor of our own city and whose progress and prosperity has for the lifetime of a generation been the pride of our citizens.—*New York Evening Mail.*

—The total loss by the fire at Paris, Texas, on the 31st of August last, was about \$350,000. The insurance losses are as follows :

Liverpool and London and Globe.....	\$11,248.10
Home, of New York.....	10,425.05
Franklin, Philadelphia.....	7,929.7
Phoenix, Brooklyn.....	4,697.97
Home Protection.....	4,176.00
Merchants', Gal.....	3,852.00
Mississippi Valley.....	3,813.33
Ætna, Hartford.....	3,667.60
Manhattan, New York.....	3,389.24
St. Louis, of St. Louis.....	3,000.00
Planters', of Houston.....	2,800.00
Boatmen's (reinsured in American Central), St. Louis.....	2,500.00
Planters' and Merchants', Mobile.....	2,300.00
Equitable, Tenn.....	2,151.33
Hartford, Hartford.....	2,137.07
Underwriters' Agency, New York.....	1,800.00
Pacific, St. Louis.....	1,500.00
South St. Louis.....	1,500.00
State, La Porte, Ind.....	1,500.00
La Caisse Generale.....	1,000.00
Sun, of New Orleans.....	800.00
Roger Williams, R. I.....	350.00
Fire Association, Philadelphia.....	174.50
Totals.....	\$76,709.68

—Superintendent Smyth has revoked the appointment of J. K. Marcy and W. C. Strickland of New York City, made some three or four years ago, as appraisers of the Insurance Department. The revocation

of these appointments is due to dissatisfaction on the part of the Insurance Department with various appraisements which they had made. It appears that they, having made appraisements upon sixteen houses in Sixty-first Street and Third Avenue, belonging to the Universal Life at \$820,000, Superintendent Smyth, discrediting the appraisements, had new ones made by reputable citizens, who put the same property at \$400,000, at their very highest valuation, four appraisers being employed to conduct the appraisement. The company's building was put in by these appraisers, although on leased ground, at \$165,000, and the appraisers just appointed have put it at \$50,000. Of \$1,800,000 of real estate and \$1,000,000 of mortgages claimed by the company, the old appraisers made a return in the same proportion as upon the property reported above, while the new ones appraised the real estate at \$1,100,000, and the mortgages at \$823,000.

—The following circular explains itself, and we will preface it by stating that Mr. Danals is a gentleman of business qualifications, undoubted integrity, and fully competent to run successfully the Pacific branch of the Ætna Life Insurance Company.

SAN FRANCISCO, Oct. 1st, 1877.

Dear Sir :

Calling attention to the card of Mr. M. P. Morse, hereto appended, I respectfully announce that I have, during the past four years, managed the business of the Ætna Life Insurance Company in the State of California, and having now been appointed its general agent and manager for the entire Pacific Coast, it will be my aim to conduct the business of the company to the entire satisfaction of the policy-holders as well as the company.

All communications or enquiries addressed to me by either policy-holders or those desiring life insurance will be promptly and courteously answered.

The usual notice of premiums coming due will be sent by mail to all policy-holders some days prior to the time, but this must not be relied upon, as the notice may fail to reach its destination. Policy-holders should

promptly notify me of any change of residence or P. O. address.

To our patrons it is scarcely necessary for me to say that the Old *Ætna* continues to be the peer, if not the superior, of any life insurance company in existence, in conservative, honest and economical management, and the prompt settlement of all just claims; and to the end of extending its business, and thereby its usefulness, I bespeak the cordial co-operation of its policy-holders and others who feel an interest in honestly-managed life insurance.

Very respectfully,
C. W. DANNALS,
Manager.

SAN FRANCISCO, Oct. 1st, 1877.

I have this day sold to Mr. C. W. Dannals, of San Francisco, all my interest in the business of the *Ætna* Life Insurance Company in the States of Oregon and Nevada, the Territory of Washington, and British Columbia. Mr. Dannals, who is the company's general manager for California, has long been identified with the *Ætna*, and will hereafter give prompt attention to all business connected with the company or its policy-holders on the Pacific Coast.

M. P. MORSE.

—The jury in the case of *J. Solomon & Co. vs. the Faneuil Hall, Svea and Transatlantic Insurance Companies*—which was on trial in the 15th District Court in this city when we went to press with our last issue—after having been out about fifteen hours, informed the Court that they could not agree, and were discharged. It appears that there were ten very stubborn men on the jury who expressed a desire to return a verdict for the companies, but the eleventh man could not see it in that light—one jurymen was discharged on account of sickness, before the close of the trial—and the case will therefore have to be tried again. It appears that there was more genuine hard swearing in the case, on both sides, than has been heard for a long time. If some of the witnesses for either side swore the truth, those of the opposite side will experience and be witnesses to a more extensive conflagration hereafter than the burning of Solomon's store.

—We extract the following paragraph from the St. Louis correspondence of one of the eastern journals:

The steamer *Grand Republic* burned at St. Louis on the night of Wednesday, Sept. 20th. She was the largest and finest inland steamer ever built for American waters. She was the last of her kind. The day for steamers of that class has passed, never to return. Railroads have superseded them. The boat was valued at \$200,000, and insured for \$50,250, as follows:

City, Richmond, Virginia.....	\$1,000
South St. Louis Mutual.....	1,500
Insurance Company of North America.....	2,500
Toledo, Ohio.....	1,500
Commercial, Virginia.....	1,250
*Hibernia, New Jersey.....	1,250
*Franklin, New York.....	1,500
Farragut, New York.....	2,500
National, New York.....	1,500
La Caisse Generale, France.....	2,500
New Hampshire.....	1,500
Mercantile, New York.....	1,250
Lycoming, Pennsylvania.....	2,000
Citizens, New Jersey.....	1,500
Farmville, Virginia.....	2,500
Newark City, New Jersey.....	1,000
St. Louis, St. Louis.....	1,500
*Gloucester, Massachusetts.....	1,250
*Amity, New York.....	1,500
*Lafayette, New York.....	2,500
Atlantic Underwriters, Philadelphia.....	2,500
Mississippi Valley, Tennessee.....	2,000
Resolute, New York.....	1,000
Guardian, New York.....	1,250
Switzerland Marine, Zurich.....	10,000

Total.....\$50,250

Companies marked with a * were not authorized to transact business in this State.

The fire on the *Grand Republic* communicated to the iron-clad freight steamer *Carondelet*. The boat was worth about \$50,000; insured for \$17,500, as follows:

City, Va.....	\$1,000
Germania, N. J.....	1,000
Toledo, Ohio.....	1,250
Farmville, Virginia.....	1,000
Farmers', Cincinnati.....	2,500
Citizens', Cincinnati.....	2,600
Citizens', N. J.....	1,000
Philadelphia Fire.....	1,000
St. Louis.....	1,250
National, Cincinnati.....	2,500
National, Cincinnati.....	2,500

Total.....\$17,500

The Cincinnati companies in this list are not authorized to do business in St. Louis.

—The following local incorporations paid dividends during the past month, as annexed:

Name.	Rate.	Amount.
First National Gold Bank.....	8 $\frac{1}{2}$ cent.	\$13,333
Pacific Bank.....	2 $\frac{1}{2}$ $\frac{1}{2}$ cent.	25,000
Capital Gas Co.....	37 $\frac{1}{2}$ c $\frac{1}{2}$ share	15,000
S. F. Gaslight Co.....	3 $\frac{1}{2}$ $\frac{1}{2}$ cent.	75,000
S. V. Water Co.....	3 $\frac{1}{2}$ $\frac{1}{2}$ cent.	60,000
Cal. Dry Dock Co.....	3 $\frac{1}{2}$ cent.	12,000
Commercial Ins. Co.....	1 $\frac{1}{2}$ $\frac{1}{2}$ cent.	2,000
California Ins. Co.....	6 $\frac{1}{2}$ cent.	18,000
Firemen's Fund Ins. Co.....	5 $\frac{1}{2}$ cent.	15,000
Home Mutual Ins. Co.....	1 $\frac{1}{2}$ cent.	3,000
State Investment Ins. Co.....	2 $\frac{1}{2}$ cent.	4,000
Union Ins. Co.....	6 $\frac{1}{2}$ cent.	45,000
California Powder Co.....	1 $\frac{1}{2}$ cent.	15,000
Giant Powder Co.....	1 $\frac{1}{2}$ $\frac{1}{2}$ cent.	9,000
Atlantic Giant Powder Co.....	1 $\frac{1}{2}$ $\frac{1}{2}$ cent.	4,000
Central (street) R. R. Co.....	1 $\frac{1}{2}$ percent.	5,000
North Beach Railroad Co.....	1 $\frac{1}{2}$ $\frac{1}{2}$ cent.	5,000
Sutter St. Railroad Co.....	40c $\frac{1}{2}$ share	4,000
Santa Gertrudes L'd Ass'n.....	\$1 $\frac{1}{2}$ $\frac{1}{2}$ share	1,170
Con. Amador Mining Co.....	25c $\frac{1}{2}$ share	7,500
California Mining Co.....	\$2 $\frac{1}{2}$ share	1,080,000
Con. Virginia Mining Co.....	\$2 $\frac{1}{2}$ share	1,080,000
Empire (Sierra Co.) M. Co.....	\$1 $\frac{1}{2}$ share	10,000
Excelsior W. & M. Co.....	50c $\frac{1}{2}$ share	10,000
Eureka Con. M. Co.....	\$3 $\frac{1}{2}$ share	150,000
Great Western Q. M. Co.....	25c $\frac{1}{2}$ share	12,500
Idaho Mining Co.....	\$5 $\frac{1}{2}$ share	15,500
Leeds Mining Co.....	20c $\frac{1}{2}$ share	12,000
Northern Belle Mining Co.....	\$1 $\frac{1}{2}$ share	50,000
North Star Gold Mining Co.....	\$2 $\frac{1}{2}$ share	6,000
Ontario Mining Co.....	50c $\frac{1}{2}$ share	50,000
Rye Patch Con. Mining Co.....	25c $\frac{1}{2}$ share	7,500
Standard Mining Co.....	\$1 $\frac{1}{2}$ share	50,000
Total.....		\$2,881,503

The dividends of the Pacific Bank, Capital Gas Company of Sacramento, California Insurance Company, Fireman's Fund Insurance Company, Union Insurance Company and California Dry Dock Company are for the quarter ending September 30th.

—Samuel D. Ward, receiver of the Republic Life Ins. Co., filed his report, with Judge Williams of the Circuit Court, Chicago, on the 16th of October. The following is an abstract of the report, which is open to objection until the 1st of January, 1878:

RECEIPTS.

Cash from Republic Life Insurance Company, \$20,723.14; rents, \$131.29; interest, \$4,267.52; renewal premiums, \$2,526; reinsurance, \$1,931.30; loans on collaterals, \$36,837.88; on mortgages, \$3,260.03; furniture and fixtures, \$79.43; B. S. Russell,

\$5; Alfred Russell, \$503.48; capital stock of the National Life, \$305,000.

DISBURSEMENTS.

Real estate, \$200; real estate expenses, \$20.75; taxes for 1876, \$651.56; total expenses, \$3,166.45; office expenses, \$1,654.47; postage, \$100.55; telegrams, \$5.81; express charges, \$2.50; advertising, \$1,500.88; bills payable, \$134,317.76.

RECAPITULATION.

Total amount of receipts, \$345,688.82; disbursements, \$141,520.73; cash on hand Oct. 15, \$204,165.09.

The second report contains a schedule of the entire value of the policies, collected under the order of July 17, 1877. The following is a summary of the report:

AMOUNT AND NET VALUE OF INSURANCE.

	Amount.	Net value.
Republic Life Ins. Co.....	\$4,542,456	\$845,772
Economical Life Ins. Co.....	251,326	129,105
California Mutual.....	92,619	19,382
Great Western.....	5,613	4,022
Eagle Life.....	14,322	1,449
Total.....	\$4,906,336	\$1,000,730

DEATH CLAIMS.

Republic Life.....	\$71,643
Economical Life.....	8,000
California Mutual.....	10,000
Total.....	\$87,643
Death claims contested.....	21,000

MEMORANDA.

Policies payable in gold—	
Republic Life, \$22,869.....	\$33,538
California Mutual, 41,550.....	12,883

—Several months ago a fire occurred on the premises of a resident of this city, but it was soon extinguished. The property was insured, and the agent, although he suspected incendiarism, settled the loss, inasmuch as the damage inflicted was small. The brother of the occupant recently died, and a few days ago the widow called upon the insurance agent and acknowledged that her deceased husband had ignited the house referred to. She said his soul was now in purgatory, where it must remain until the insurance money received was refunded, and she requested the agent to write the facts to the company, promising to pay back the money upon the receipt of a bill for the amount. The agent wrote to headquarters, and received the following telegraphic response: "Let him burn."—*Troy Times*.

COAST REVIEW.

A MONTHLY JOURNAL, DEVOTED TO FIRE, MARINE AND LIFE
INSURANCE.

J. G. EDWARDS, Editor and Proprietor,

320 California St., San Francisco, Cal.

VOL. 12.

DECEMBER, 1877.

NO. 9.

Report of the Superintendent of the Insurance Department of the State of New York, on the Ex- amination of the New York Life Insurance Co., of New York City.

INSURANCE DEPARTMENT,
Albany, October 24th, 1877.

The Superintendent having personally, and through the services of the Deputy Superintendent, aided by the force of the Department, commenced and completed a searching examination into the affairs of the New York Life Insurance Company of the City of New York, it affords him unqualified pleasure at being able to announce and make public the gratifying fact that the result of this examination is most satisfactory, and that, from the data in possession of the Department, the solvency of this, or other companies undergoing a similar test, can be readily ascertained, at little expense, for many years to come.

This company was organized in 1845, and no investigation having been made, either by the Department or other properly constituted public authority, prior to the date when the Department was formed, much time has necessarily been expended to bring the matter to a conclusion.

The services of forty-one gentlemen of character, standing and experience, have been procured, who have valued and ap-

praised the property situated in forty counties in this State and in the State of New Jersey, covered by 2,629 mortgages amounting to the sum of \$17,354,847.84, and forty-nine pieces of property owned by the Company, amounting in value to the sum of \$2,541,576.46; which services have been intelligently and efficiently performed. The abstracts of title to each and every piece of these large amounts of property have been closely examined and reported on to the satisfaction of the Superintendent. All other investments, amounting to \$10,311,045.67, have been carefully looked into, and evidence of payment by the Company, either by check or otherwise, for such investments, demanded and given, although many of these payments were made twenty years ago. The cash securities of the Company, the cost of which on the books amounts to \$9,730,529.91, are of the most unexceptionable character, and are worth \$580,515.76 more than cost.

The Superintendent personally examined these securities, taking the letter, number and denomination of each security, and preserving a record of the same in the Department. In every instance where securities had depreciated in value, such depreciation had been promptly charged to profit and loss account, and all items of doubtful character had been stricken off by the company from its assets, and omitted from its reports. Complete seriatim lists of policies,

premium loans, and uncollected and deferred premiums have been made, and are on file in the Department.

LIABILITIES.

Every item of liability, real and actual, or contingent, as sworn to by the officers in the last annual report made to the Department, a copy of which is herein embraced, has been closely scrutinized, and the statements in said report found to be true to the letter, and no other liabilities were found to exist.

MISCELLANEOUS.

The different departments—medical, actuarial and Agency—have been reviewed, with the most satisfactory results—gentlemen entirely competent and assiduous having been found in charge of each branch, to whose conduct and performance of their duties much is due.

Agents collecting funds of the company at different points are held to a rigid accountability, remittances being required at the larger points tri-weekly, while at the smallest points settlements are not allowed to be delayed longer than one week. Bonds are required where the sums handled are sufficient to justify the same.

The system of book-keeping adopted by

the company, after many years of experience, seems to be perfect—the checks by one division on another being so complete that no wrong can be done to policy-holders by false entries of any kind short of wide-spread collusion among many employees, all of whom were found to be exceedingly courteous, and, acting under instructions from the principal officers of the Company, were prompt in furnishing full information as to every detail.

Judged by the hardest test which could be applied under the law, and with every doubtful item eliminated from their resources, the net surplus, as shown by the detailed statement of this company, which follows, amounts to \$5,962,878.79.

This exhibit clearly establishes the fact that where a life insurance company is honestly, ably and prudently managed, there is no occasion to force a showing of solvency by including in its assets prospective value of real estate, and excesses of premium payments to be received.

For the reasons above given, the Superintendent has no hesitation in stating that this great corporation is entitled to public confidence, and its officers to his warmest commendation.

ASSETS.

Real Estate.....	\$2,473,087.50
Bonds and Mortgages.....	17,205,232.84
Stocks, Bonds, etc., owned by the company :	

	Cost Value.	Market Value.
Merchants Bank, N. Y., stock.....	\$15,758.75	\$16,100.00
Bank of America, N. Y., stock.....	8,484.00	10,164.00
Bank of the Republic, N. Y., stock.....	1,470.00	1,470.00
American Exchange Bank, N. Y., stock.....	10,125.00	10,500.00
Metropolitan Bank, N. Y., stock.....	5,381.25	6,400.00
United States Bonds.....	3,792,113.97	3,892,763.34
Central Park Loan.....	25,233.75	26,750.00
Delaware and Hudson Canal Co., stock.....	44,800.00	44,800.00
Delaware and Hudson Canal Co., bonds.....	400,000.00	400,000.00
New York Street Opening bonds.....	549,967.10	576,110.00
New York County Bounty bonds.....	41,104.00	42,000.00
New York City consolidated bonds.....	645,596.25	745,875.00
New York County consolidated bonds.....	113,928.75	131,625.00
New York City (Morrisania and West Farms) bonds.....	60,000.00	60,000.00
New York Central and Hudson River R. R. bonds.....	1,019,382.50	1,170,000.00
New York and Harlem R. R. bonds.....	1,074,075.00	1,178,333.33
Brooklyn City bonds.....	983,144.80	1,024,700.00
Jersey City bonds.....	442,425.00	450,500.00
Yonkers Town bonds.....	178,479.16	183,700.00
Newark City bonds.....	129,875.00	131,210.00
Flushing Water bonds.....	77,000.00	80,000.00
Rensselaer and Saratoga R. R. bonds.....	9,519.92	10,155.00

Eastchester bonds	5,000.00	5,000.00	
Richmond City bonds	46,250.00	56,500.00	
Tennessee bonds	8,000.00	8,000.00	
Georgia bonds	2,730.00	3,500.00	
Alabama bonds	15,840.00	15,840.00	
South Carolina bonds	8,960.00	8,960.00	
Mississippi warrants	15,285.71	20,000.00	
Totals	\$9,780,529.91	\$10,311,045.67	10,311,045.67
Premium Notes and Loans			781,585.39
Cash in banks and trust companies			1,427,933.18
Interest due and accrued on bonds and mortgages			224,052.75
Interest due and accrued on stocks and bonds			42,320.39
Interest due and accrued on premium notes and loans			25,709.37
Rents due and accrued			8,476.17
Premiums due and unreported		\$125,027.15	
Premiums deferred		432,605.40	
Total		\$557,722.55	
Deduct 20 per cent. estimated cost of collecting above		111,544.51	
Net amount			446,178.04
Total admitted assets			\$32,945,621.30
Items not admitted :			
Agent's Balances		\$36,154.19	
Cost value of Real Estate over present appraised values		68,488.96	
Loans on Mortgage in excess of present value		149,605.00	
Total			254,248.15
Total gross assets			\$33,199,869.45
LIABILITIES.			
Death Losses and Matured Endowments not due			\$418,393.19
Death Losses and Claims resisted			97,200.00
Premiums paid in advance			17,038.82
Estimated liability on lapsed policies			10,000.00
Net Re-insurance Reserve			23,440,111.00
Total liabilities			\$26,982,742.51
Surplus as regards policy-holders, on the basis of admitted assets as determined by this report			5,962,878.79
Surplus as regards policy-holders, on the basis of total assets as reported by the company			6,217,126.94
Estimated surplus of Tontine policy-holders included in the above			517,504.84

JOHN F. SMYTH, Superintendent.

A Common-sense View of the Situation in Life Insurance—Ninety-nine per Cent. of the Losses caused by the Failure of Life Companies have fallen on Living Policy-holders, and not on Widows and Orphans—A plain Statement of Facts.

Under the heading "Life Insurance" the *Boston Commercial Advertiser* of recent date, editorially speaks of the situation in life insurance as follows, which we heartily endorse :

"The Right Hon. Mr. Gladstone is reported to have said that the policy-holders of a life insurance company have nothing

to depend upon but the prudence, the high honor and the character of those concerned in its management. Add to his list of qualifications administrative ability, and Mr. Gladstone could not have made a truer statement, while he might have expanded his list of trusting men to include the dwellers of Christendom, since all business of whatever nature will be correctly done if in the hands of individuals who answer his description.

The policy-holders want nothing else, can have nothing else upon which to depend. Shall a man lock his money in a vault? Not unless he depends upon the "prudence, the high honor and character" of those who have charge of the premises.

Shall he exchange it for consols or government bonds? He must depend upon the "prudence, the high honor, the character" of politicians. Perhaps it is fully as safe when placed to be invested by men who have lived a life of "prudence, high honor and character."

No institution rises morally above and beyond the integrity and ability of its official management. And integrity and ability are not taxed beyond their desert by the transaction of any business of whatever size. If they do not permeate any paction, large or small, loss in some sense ensues. They safely sway the mightiest interests. A large corporation that has honestly grown from small beginnings is more easily managed than a small one, for it has self-made reputation as its claim to confidence, the ripe experience of its administrators, and abundant means as its resource in a disastrous day. Men who are doing business with each other must trust each other. While confidence exists unbroken they are friends, and exchange is mutual. The business that honest and able men represent grows as wheat grows cast into good soil. It has been said that a very large amount of money placed in the hands of a given management, and under its control, was too great to be entrusted to ordinary men. True, the direction should be composed of extraordinary men, and in their charge the amount is never too great. It is a matter of the first necessity that the officers of a life insurance company, who attend to the business of investing its funds, should be men of rare judgment.

Government bonds, to a certain extent, it is proper that a moneyed institution should hold. But not too largely, since its funds can be safely placed at better interest than bonds can pay. No wealthy individual puts all his means into bonds. No company should do so. Nor should the property of a corporation pass out of the control of its board. The men composing it cannot part with the direction of property committed to their care. To have the charge of it there are none worthier than themselves. It is their business to guard and develop it. This

was the purpose for which they were elected.

The extravagance of life insurance companies is a fruitful theme for people ignorant of the nature and detail of the business and its necessities. These persons are fond of looking upon costly warehouses and into well-furnished offices, but are ever ready to assert that life insurance companies represented by handsome structures and accommodated in comfortable business rooms are prodigal.

Now who shall fill good buildings if not they? The buildings belong to the policyholders, for they are the companies. Do the men whose officers transact business amounting in receipts and disbursements to many millions of dollars per annum desire to have that business transacted in a cellar? If there is to be ornamentation to a city in the form of sightly structures, is it not eminently proper that rich associations who can afford to build and hold them should build and hold them? Instead of opposition to all the plans of a large company that are really for the benefit of all, would not encouragement be in better taste?

In the turmoil caused by the recent secession of defaulting companies, the fact that life assurance associations are the largest and most effective for good of any agency in the country seems to be lost sight of, and that there exists, in spite of and utterly irrespective of any connection with the failures, a number of companies whose record is irreproachable and whose resources are immense. And of the exalted nature and character of the business itself, in the main, a just estimate is not formed. Its real use and value in and to the community is not understood. Let us see: This is not a business in which purchase and sale give basis of speculation. A man performs a simple duty; provides for his family in case of disaster. A company accepts the trust, and at his death furnishes that family with the sum contracted for.

Some one has carelessly written that life insurance companies should be small, and then they would be safer, more easily understood, more readily examined, and in the event of a failure fewer persons would lose,

since the risks would be divided. The best of talent is not to be had to regulate small affairs unless the laudable ambition to go up higher is to be encouraged. The best corporations in any department of business grow to be that best, strengthening as they grow, and it is only when grown that they are really the best.

In a single week the decline in stocks at the New York exchange was more in amount than the entire discrepancy of all the life insurance companies in the country for thirty years. The aggregate amount of railroad foreclosures and defaults and shrinkage in stocks of railroad corporations in a single year is more than a thousand millions of dollars. Now, the total loss incurred during the same period by holders of policies in life insurance companies, representing over four hundred millions of dollars in assets, has been less than ten millions.

The insane tirade against life insurance will work for good to the meritorious corporations. The censure that because of a few failures has been unceremoniously and acridly heaped upon the business, however well conducted, will arouse the sober sense of the people to calculate the legitimate benefits of life insurance, and as a result of their conviction the best companies will be more prosperous than ever.

A word about the widows and orphans for whose losses by the late failures in life insurance written sympathy has been profusely offered. The losses have not fallen upon them but in small measure. It has been well said :

"But as we look closer, there are not so many widows and orphans as one would suppose from the bitter wails sent up by the newspaper edist. We find that ninety-nine per cent. of the losses have fallen on living policy-holders, and that the amounts involved in each case average but a few hundred dollars of premiums not earned by the companies. The widows and orphans are *in futuro*, and do not appear on the scene at all, for it is only the dead policy-holder who leaves that sort of legacy behind him."

But, as we have shown, the entire losses by the bad conduct of life insurance com-

panies are infinitesimal in comparison with those realized from failures of corporations and parties engaged in business of other name, and it is proved that those least able to lose were among the sufferers by those failures.

The intrinsic value of life insurance as a business correctly managed bears a very high estimate. Some of the ablest men of the country are in its direction. If minor men, eager to rush into print, would consult some of the heads of departments of the old established companies before ventilating their crude ideas, they might learn useful lessons to shame their assumption of competency.

Opinions as plenty as mushrooms and as valuable are foisted into magazines, periodicals and public prints. Fault is found with court decisions and with the companies' plain interpretations of the protectionary clauses in their policies. Not long since several papers defended the payment of a policy upon a man who took his own life, and censured the decision of a company and a court because the payment of a policy upon the life of a suicide would not be made. Some writers seem to think that a life insurance company is a charity hospital board and not a business institution.

Simple and plain as is the plan of life insurance, it is not understood and appreciated. A life insurance company is a trust fund corporation. A man deposits money once a year with it, not to withdraw that money, not to make money upon that money, not to be himself a gainer because of the deposit, but that he may benefit those who are dependent upon him. He holds a contract good to his heirs, not to himself. When he dies that contract must be paid to the person designated therein or to his executors, and the amount usually is largely in excess of all that he has invested. The purpose of a life insurance company is to pay these contracts.

Insurance is an expense voluntarily assumed. Life insurance only has to deal with what is known to be eventually a certain loss, and risks the time of its announcement. The house may not burn, the ship

may not sink, but the man must die. Life insurance is not speculation nor investment for returns during life. It is death insurance rather. It requires the prudent man to give of his substance from year to year to protect others when he can no longer give. Death is the certainty of whose actual time of coming he does not know, and against this chance in time he insures. Then, "let it come when it will come."

A Communication from Ben Franklin to the Association of the Northwest.

Conveyed through Dr. C. C. BOMBAUGH,
of Baltimore.

Sometimes, my friends, the virtuous man (I mean like us, of course,) Slides from the path of rectitude through some mysterious force; Some evil genius leads him on to explore forbidden ways— Horse-races, base-ball, selling short, the ballet, naughty plays. And thus I found myself one day, by some perverse mischance, Mixed up with a queer company—they called it a *seance*. Spirits were there—so I was told—not those of vinous birth, But disembodied spirits, revisiting the earth. So said, at least, the prompter, one too serious for sport, And then with these invisibles he placed me *en rapport*. A phantom hand a pencil seized, and soon, 'twas plain to see, The spectral writer wanted to "communicate" with me. "I am the pioneer," he wrote, "who, with prophetic view, Founded the 'Contributionship' in seventeen-fifty-two." "Ho! ho! Ben Franklin!" I exclaimed; "I wish that I could scan The features and the form of that magnificent old man." But none the veil may penetrate. The pencil onward sped:— "I've come to pass in brief review," the unseen writer said, "The wondrous progress of the age in all material gain; The powers that move the busy world, the forces that sustain; The great machines that show the breadth of man's creative skill; The vast and complex enginery that executes his will;

And last, not least, to ascertain if fire insurance moves Abreast of the activities that shun the time-worn grooves. And I rejoice to find that in the long and toilsome race Its faithful votaries advance with firm and steady pace. The lightning that I captured first with my old kite-tail noose Rings out with every fire alarm the grandeur of its use, The salvage corps and fire patrols, the paid departments, all Respond with more than magic speed when duty sounds its call. Majestic steamers, with a might we well may call sublime, Now laugh to scorn the buckets and the pumps of olden time. Yet have a care;—a century hence may laugh as much at you, And say, 'Such crudities? So slow! Oh, no, it can't be true! What! apparatus such as that for fire extinguishment! Sure, the historian must be on broad burlesque intent!'" And then the pencil rattled on, and talked of lots of things, Of which but few I now recall, for most have taken wings. 'Twas obvious the writer had been freely nosing round; He spoke of open practices and wires underground; Of big boards and of little boards, and how in every board He found in place of harmony an overhanging sword; Found that among the brethren the worst they have to fear Is treachery in ambush—the fire in the rear. While hostile competition means no square and open fight, Foes of the household seek disguise behind the veil of night. "It needs no prophet's ken," said he, "to tell the coming fates Of recreants who demoralize and break down paying rates; And as to the 'advisory' course that trimming boards permit, That dulcet word means only this—surrender and submit. If they keep cutting short their string how can they spin their top? Throat-cutting means perdition, and that means shut up shop. But truce to rates, and rules, and risks, for, after all, I find Among the faithless faithful souls, to reason not so blind;

And of the loyalists I've seen, the pluckiest and the best

Live in that land of promise, the glorious Northwest.

Go to these Western brethren, then, and say Ben Franklin sends

The warmest benedictions that friend can give to friends;

Tell them he honors them because they choose the better part,

And to their choice, through good or ill, adhere with steadfast heart;

And tell them of the interest that he will always feel

In them and theirs, and in the work in which they show such zeal."

And so, my friends, I'm here to-night to do as I was bid,

To bear this message of good will sent by some *tertium quid*;

And whether it be fanciful or fictional, or what, Accept it as a token that should not be forgot.

It wafts the honest greeting of every earnest friend;

The brotherly injunction, "Be faithful to the end;"

The fervent wish, that harmony among you may prevail;

The hope that your tenacity and courage may not fail.

You occupy the foreground now; maintain the foremost place;

Still strive to keep the leadership in your appointed race.

So shall your name and fame be known and noted through the land;

So shall your influence increase, your boundaries expand,

Till from Atlantic's shore they reach to where Pacific flows,

And from Aurora's morning blush to evening sun's repose.

Recommended Change in Writing Policies to Commission Merchants.—Also in "Loss, if any, Payable to."

A PAPER PRESENTED BY GEO. B. COALE TO THE CONSIDERATION OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST AT THE EIGHTH ANNUAL MEETING.

I have to recommend a very slight but important change in the form of writing policies covering goods not the property of the assured; also a slight addition to the very familiar and daily-used phrase, "Loss, if any, payable to."

The form of a commission merchants' policy in present use is:

"On merchandise, hazardous or not hazardous, his own, or held in trust or on consignment, contained," etc.

We have hitherto, both insurer and assured, rested in the belief that such a policy, although its descriptive terms include everything that can possibly be contained in the premises described, was yet limited in its application strictly to the actual responsibility of the assured, or, in the most exact terms, that, under it, the assured could claim for nothing but what the owner of the article destroyed could hold him bound to pay for in case of its loss or damage. In other words: that the obligation of the underwriter was limited to the obligation of the assured.

I recommend that this principle be embodied in the written form of policy in simple and express terms, thus:

"On merchandise, hazardous or not hazardous, including such merchandise not his own but held by him in trust or on consignment, as he shall have agreed with the owner thereof to cover by insurance, contained," etc.

And I recommend a modification of a form of endorsement in almost daily use.

We are in the habit of endorsing upon John Doe's policy, "Loss, if any, payable to Richard Roe."

What we intend in so doing is to give Richard Roe a security in the policy of John Doe without releasing John from the equities of the contract. As we shall see presently, the courts do not all so understand us; but many are disposed to make this phrase the equivalent to a policy in the name and for account of Richard Roe, with the extraordinary feature thereto added, that, while John is actually released from its equities, Richard is not bound by them.

I recommend that the meaning of all parties be set forth in simple and express words, thus:

"It is hereby further agreed that such loss or damage as shall have been ascertained and proven to be due under this policy to John Doe shall be held payable for his account unto Richard Roe."

I cannot better illustrate the importance of these suggested amendments to the common forms in daily practice, than by a condensed narrative of the litigation which ensued after the burning of the warehouse of the Baltimore Warehouse Company in July, 1870.

The Warehouse Company's receipts for goods deposited with them contained these words: "*Notice.*—The property mentioned by this receipt is held by this corporation as bailees only, and is not insured by this corporation." They never doubted, nor did any holder of their receipt, that this was distinct *caveat* to the depositor to insure his own goods, and that the Warehouse Company disclaimed any authority or responsibility to insure them.

When the company made advances to depositors they took as security their receipts endorsed back to them, and the policies of the owners on the merchandise endorsed, "Loss, if any, payable to the Baltimore Warehouse Company."

They held for their own needs and special use two policies in their own name in the usual form: "Merchandise, their own, or held by them in trust, or in which they have an interest or liability"—in the Home, of New York, \$20,000, and in the Associated, of Baltimore, \$10,000; and it was their custom to designate such merchandise as came under the protection of these policies by a special entry and charge of insurance against the owner.

It will be seen that there was clear and intelligent discrimination exercised to prevent any doubt as to the distinct obligation of the policies held by depositors and those controlled by the Warehouse Company.

Such was the condition of things when a fire occurred, which destroyed or damaged the entire contents of the warehouse—cotton, tobacco, bark, and other articles.

Among the depositors of merchandise, Hough, Clendenning & Co. held seventeen policies covering 675 bales of cotton, on which they had received advances to a large amount. These policies covered each, through the inexperience of their broker, a specific number of "bales of cotton," in-

stead of "cotton" only. This added to the complications that followed, but did not affect the points now under consideration. Each of the policies was made "loss, if any, payable to the Baltimore Warehouse Company."

The claim under the Warehouse Company's policies was promptly settled according to their books, it being only for 24 bales of cotton, the company declaring that all other merchandise in the warehouse was insured under specific policies in the names of the respective owners.

Several of the companies insuring Hough, Clendenning & Co. declined to pay their loss in full, claiming contribution from the policies of the Warehouse Company on the ground that their own policies were made payable to that company, and were therefore to the same parties and on the same interest. Litigation commenced with the suit of Hough, Clendenning & Co. vs. The People's Insurance Company, one of those claiming "contribution." In the trial of this case the president of the Warehouse Company and the agent of the Home Insurance Company both appeared as witnesses to testify to the fact that the policy of the Home Insurance Company held by the Warehouse Company did not, as their books would show, cover the cotton named in the policy held by Hough, Clendenning & Co., and they had not under the circumstances of the case an interest in that cotton to which they could apply the policy of the Home Insurance Company. The testimony was not allowed upon the ground the policy must, as a written contract, explain itself. The policy was therefore held in evidence to cover all that fell within its descriptive terms, even to the extent of wiping out the "Notice" on their receipts to depositors that they did not insure the goods specified therein. "We care not how often the Warehouse Company hold Hough, Clendenning & Co. that they did not insure their cotton," said the counsel for the People's Insurance Company; "here is the proof that they *did* insure it," shaking the Home policy triumphantly in his hand.

At this stage in the litigation, I desire to

call attention to the fact that either of the amendments I have suggested would have stopped proceedings at this point, or, in fact, would have made them impossible. Had the testimony of the warehouse been admitted to prove what they had "agreed with the owner to cover by insurance," their policy could never have been called upon for contribution to the loss under the policy of the People's Insurance Company. Had the People's policy been endorsed, "Loss ascertained and proven to be due to Hough, Clendenning & Co., shall be payable* to the Warehouse Company," the People's Insurance Company could never have set up the claim.

The case went to the Maryland Court of Appeals. This Court, in its zeal to confirm a previous decision, that "Loss, if any, payable," was equivalent to an assignment, actually is this case slopped over to the extent of declaring that "the policy sued on," that is, the People's Insurance Company's policy on 28 bales of cotton, being made payable to the Warehouse Company, covered everything which was covered by the policies issued directly to that company by the Home and Associated companies, including tobacco, bark, and other merchandise.

Under the decision of the Court of Appeals, the Associated Company of Baltimore compromised the claims against them for "contribution," and settled them for \$4,000. The Home Insurance Company, having right of transfer to a U. S. Court, declined the offer of a settlement for \$8,000, and the case went to a U. S. Circuit Court. Here the Court, while declaring the policy of the Home Insurance Company and the policy of the People's Insurance Company, to be "not issued to the same parties, nor on the same interests," gave a judgment against the Home Insurance Company to the extent of all "advances made" by the Warehouse Company, the special policies to contribute. The case went to the Supreme Court of the United States.

Before the Supreme Court the counsel for the Warehouse Company abandoned their first ground (as had been done before the

Circuit Court also), and sued on the face of the policy, claiming that it covered everything in the warehouse. This claim the Supreme Court gave judgment for, declaring that the insurance was not limited to any interest, but "was on the property itself, whatever might be the existing rights to it." The clause in their receipts, upon which the Warehouse Company relied to relieve them of the responsibility of insuring the property receipted for, the Court declares to mean "no more than that neither the receiving of the goods nor the certificate of receipt amounted to a contract of insurance. It would be straining the language unwarrantably were we to treat it as amounting to an engagement that the company could not obtain the insurance from some corporation authorized to insure."

The Warehouse Company, drawn into litigation by claims upon their policies set up by other insurance companies, which they resisted from the first, here have a judgment in their favor on a point which, with all their might, they denied, and which they had done, as they thought, all that was necessary to protect themselves against.

The form of wording their policy, of which I recommend the adoption in all similar cases, would have perfectly secured them, and they have adopted it in their business ever since the first question in this case arose, their policies now covering only what they "have entered into agreement with the owners thereof to cover by insurance."

It would be most instructive to give a short statement of the numerous cases which have arisen on the special points involved in the case I have used in illustration, and to note the efforts that have been occasionally made to prevent the recurrence of the peculiar form in which grief has come to various companies through the want of terms defining exactly the limitations of the ordinary form in use; but I have found enough for the practical purpose in hand in the one case stated. This case, be it noted, is simply a triumph of the ingenuity and skill of counsel over a form of contract which has hitherto been held as a sufficient expression of the honest intention of both parties to it,

finding its exact limitation in that principle of indemnity upon which the whole science of insurance rests. That it is possible so easily to ignore and exclude evidence of the intentions of both parties to a policy, and that thereby the very principle of indemnity should be eliminated from the case, is the lesson it teaches us.

The English phrase extensively adopted in the hope of meeting the rulings of the courts is, "Their own, or that for which they are responsible." A most delusive and fallacious one—for the responsibility itself is often a subject of dispute and litigation. "Agreement" is a definite and distinct act, requiring the mutual concurrence of two persons. "Responsibility" is an open question. Since I commenced this paper I have had sent to me the report of an English case—an appeal tried before the Supreme Court of Judicature in April last.

A firm of wharfingers or warehousemen hold a policy on goods, "Their own, or for which they are responsible." A depositor of goods takes out a policy on his goods in his own name. The warehouse is destroyed and there is a dispute as to which policy pays, or whether "contribution" exists. The "Master of the Rolls" (the lower court) decided that the wharfingers' policy attached. This was affirmed by the Court of Appeals. No contribution was allowed, as the higher court ruled that the "responsibility" of the wharfingers was such that, if the depositor of the goods had collected the loss from the company that insured him, that company would have been subrogated to his claim upon the wharfingers and their policy for the value of the goods.]

The history of the phrase, "Loss, if any, payable to," as written in litigation all over this country, will amaze any one who has occasion or interest to follow decisions from court to court, and from State to State, to see how easily an error, based on a misunderstanding, can propagate itself. Although half of the States in the Union, or more, have ruled that this phrase is equivalent to the assignment of a policy—to a policy in favor of the payee—to a policy taken out for the benefit of the payee—to a policy

which was "evidently meant to give to the payee a security which even the assured himself could not destroy" (for all of these expressions are found in the decisions); no effort whatever on the part of the underwriters appears in any quarter to counteract so utterly mischievous a ruling.

I will name the points in one case only, which was decided by two courts in New York—finally reversed in the Supreme Court of the same State, but which in the meantime set Rhode Island, Maryland, and many of the Western States wrong—and wrong many of them continue to remain.

The case I allude to is Grosvenor vs. The Atlantic Insurance Company, of New York. McCarty insured his house, which was under mortgage to Grosvenor. The policy was made payable to Grosvenor in case of loss. The property was partially destroyed. In the suit which followed the company offered to prove that McCarty sold the house to Bostwick; that he only held the title for another McCarty, and that the two McCartys and Bostwick combined and wilfully caused the premises to be set on fire for the purpose of defrauding the company. Each of these offers was ruled by the Court as inadmissible, and as not effecting the claim of Grosvenor. Is it necessary to say more as to the dangers of the phrase as we now use it? Can anything be simpler than to add the few words I suggest, in order to make it clear to the Bench, as it is already clear to the underwriter, that the latter refuses to release the assured from the equities of the contract up to the moment of actual payment, and that "fraud and evil practice of the assured" can void a policy even if it be payable to another party?

The extent to which my paper has reached warns me that I may be consuming too much of your time. I will close with a repetition of the form in which I propose that all policies covering merchandise, not the actual property of the assured, shall be written:

"On merchandise, hazardous or not hazardous, including such merchandise not his own, but held in trust or on consignment, as he shall have agreed with the owner thereof to cover by insurance."

I could say much to show that this form is as desirable for the assured as for the underwriter; throwing him upon the necessity and placing it in his own power to adjust definitely this responsibility with his consignors. At the same time it places beyond doubt the securities of such policies as consignors often take out in their own name, and which at present are liable to the same danger that beset Hough, Clendenning & Co. in the warehouse case.

A form of policy might be printed especially for "Commission Merchants' Risk," and in all policies I would recommend that the printed form of assignment be omitted, because an assignment is never proper in any case in which a new policy to the assignee would not be better. Nothing but clerk labor is saved by it. In place of it I would have printed the following form for the frequent demand for use of the policy as a temporary security:

"It is hereby further agreed that such loss or damage as shall have been ascertained and proven to be due under this policy unto ——— shall be held payable for his account unto ———."

I could show the importance of the word "further" as making this endorsement an act subsequent to the contract of insurance itself—several judges have found it "impossible to regard a policy containing the clause from the time it was written other than as a policy taken out for the benefit of the payee," and have then proceeded to award the loss to the payee as a "meritorious" claimant in the face of serious laches and even fraud on the part of the assured.

The Way they Do in France.

When a man's premises get on fire in Paris the law holds him liable to make good the damage resulting to other people's property, and he is compelled to pay, up to a certain limit, for the loss which his fire occasions to his neighbors; on just the same principle that a man is everywhere compelled to pay the damages caused by his horse which runs away and destroys prop-

erty, or his bull which gores his neighbor or his neighbor's ox, or his cattle which break into and destroy the crops of another. There may not have been any evil intent on the part of the owner; he did not design or desire to have his horse smash things, or his bull push the unruly horn, or his fire break forth and destroy his own or his neighbor's goods—the intention has nothing to do with it; the fact is all that the law takes cognizance of, and in France they treat the fires that way.

One result of this mode of adjusting matters is great carefulness and watchfulness on the part of tenants and owners in regard to fire. Buildings are erected for the commonest uses which are almost absolutely fire-proof. The building laws of Paris are very stringent, and non-combustible materials is required to be used in almost every portion of a house. But, aside from that, the personal interest which the law compels every man to have in the spreading of fires makes him doubly diligent to prevent all fires from spreading—to prevent them, indeed, from occurring.

Another result is that, although people feel constrained to insure for an amount which will cover their possible indebtedness to others in case a fire which kindles in their own premises does damage outside, the rates of insurance are reduced to the merest fraction of the figures which Americans pay. The best buildings are the best economy.

Now, like causes produce like results the world around, and it may be that the French way is a more excellent one than ours; and it may be that, as time goes on and the refinements of legislation progress, we in America will come to make it the duty of every man to restrain his fire, the same as he must now restrain his horse or other fractious beast, or, failing to restrain, be compelled to pay the damage caused by his unruly servant of whatever kind—human, equine, bovine, or colorific—so that, whether we adopt all the French ways or not, we cannot do better than adopt so many of them as relate to carefulness in the erection of houses and the selection of non-combustible material for their construction.

What we Americans need is to stop building fire-traps! Our present recipe for a house is, practically a dozen loads of pine lumber, a few thousand cedar shingles, a barrel of paint, a rusty stove-pipe, and a box of lucifer matches; mix well and sweeten to taste with kerosene lamps and gasoline cooking stoves. It is then ready to insure and burn up, and is tolerably certain to burn whether insured or not.

The French recipe smacks more of timber bedded in plaster of Paris, where wood must be used; of slates and tiles, the terra cotta and stone. "French fashions" of this sort should be extensively introduced in America, and should be aided by the enactment of building laws which shall be operative in the country as well as the town.

—C. C. Hine.

The Mortgage Insurance Question.

The liability of insurance companies to pay both to the mortgagor and the mortgagee the full amount of insurance that might have been effected by each of them on a certain building subsequently destroyed by fire, or in other words, to pay twice for the same loss, was very ably treated by our correspondent Occidental, in the October number of *THE REVIEW*. The question was raised in consequence of the burning of a building at Galveston, Texas, which had been insured independently of each other by both the mortgagor and the mortgagee. As the building was of wood and stood within the fire limits, the municipal authorities would not permit its replacement, and the adjusters were considerably perplexed about the distribution of liability on the two policies. Our correspondent ignores the right of subrogation, which would have furnished a solution of the problem, and clearly sets forth two separate insurable interests that had to be provided for. In his view of the case, not only would each of the policies be compelled to pay the full amount of its insurance loss, but the mortgagee could recover from his insurer and from the mortgagor as well.

The equitable right of subrogation seems, however, to be established by a preponderance of judicial rulings, and the authorities have treated it as a principle analogous to that of abandonment in the case of marine insurance. The insured mortgagee may enforce his claim against the insurer without first exhausting or following the mortgagor, but on receipt of indemnity the claim belongs to the insuring party that pays it. This is the gist of decisions in the United States courts and in the courts of several States. The Massachusetts courts, however, have ruled against the implied right of subrogation, and the policies of mortgagee's insurance in that State generally provide for it by a specific clause. There can be no objection to a similar practice even in those States where the right of subrogation is understood and admitted. The principle of this right seems to commend itself in equity, and it is necessary to prevent the payment of double claims and the frauds that would be engendered by a prospect of such a consummation.

We do not follow our esteemed correspondent in supposing that the prospect of a mortgagee's coming into possession of the mortgaged premises by foreclosure is an insurable interest. Such a prospect is his only in common with the rest of the world, who have the right to bid at the foreclosure sale, and it is too vague to be crystallized into a substance of present value. We keep time, however, to the tendency of his other argument, which is to the effect that a mortgagee's policy is one of pure indemnity, and cannot be recovered on beyond the actual value of the property destroyed. A junior mortgage, therefore, taken in excess of value, would not constitute an insurable interest, and could not be recovered on from the mortgagee's insurer.

—David L. Gallup, Actuary and Secretary of the Union Mutual Life Insurance Company, accompanied by his wife, is in California on a visit of business and pleasure. The share of welcome which *THE COAST REVIEW* is entitled to tender is respectfully offered both to the lady and gentleman.

The Field, Leiter & Co. Fire at Chicago.

On the night of the 14th of November last the extensive retail establishment of that firm was destroyed by fire. The building, which was of marble, is said to have been the most beautiful of its kind in the United States, not excepting A. T. Stewart & Co.'s up-town store in New York. It cost \$550,000. Field, Leiter & Co. were the Stewarts of the West, and did both a retail and a wholesale business of the largest character. The stock in the building destroyed was valued at about \$1,200,000, including fixtures, and the insurance thereon amounts to \$969,000. The building is insured for \$170,000. The walls are still standing, and are said to be undamaged except by disfigurement from heat and smoke. The cause of the fire is not yet ascertained, but it is known to have commenced in the workshop in the top story, near some stoves which had been alight during the day.

We regret to report that two men perished in the flames—one was an officer of an engine company, and the other an ex-fireman, who was on this occasion a volunteer; their names are respectively John O'Rourke and Charles A. Dudley.

The following are the particulars of the insurances :

INSURANCE ON BUILDING.

Northwestern National.....	\$5,000
La Caisse Generale.....	5,000
Newark Underwriters'.....	5,000
Richmond Fire Association.....	5,000
Atlantic Underwriters'.....	5,000
City Fire, of Richmond, Va.....	2,500
Fame, of Philadelphia.....	5,000
Columbia, of New York.....	5,000
New York City, of New York.....	2,500
Faneuil Hall, of Boston.....	2,500
Mobile Underwriters'.....	5,000
Royal Canadian.....	5,000
Merchants' and Mechanics', Va.....	5,000
Lycoming, of Muncie, Pa.....	5,000
Farmers', of York, Pa.....	5,000
Rutgers, of New York.....	5,000
Standard, of Trenton, N. J.....	5,000
Granite, of Richmond, Va.....	5,000
Commercial, of Richmond, Va.....	2,500
New York and Boston, of N. Y.....	5,000
Union Mutual, of N. Y.....	5,000
Guardian.....	2,500

Montauk.....	2,500
Atlas, of Hartford.....	5,000
Allemania, of Pittsburgh.....	5,000
Citizens' of Pittsburgh.....	5,000
Home, of Newark.....	2,500
Emporium, of New York.....	5,000
Gloucester, of Massachusetts.....	2,500
People's, of Connecticut.....	2,500
People's, of Pittsburgh.....	2,500
City, of Pittsburgh.....	2,500
Western, of Pittsburgh.....	2,500
Petersburgh, of Virginia.....	5,000
Germantown, of Pennsylvania.....	2,500
Union, of Cincinnati.....	2,500
Globe, of Cincinnati.....	5,000
German, of Freeport, Ill.....	5,000
Importers' and Traders', of New York.....	5,000
Produce Exchange, New York.....	5,000
City, of New York.....	5,000
Total.....	\$170,000

RETAIL STOCK.

Loss estimated at 60 per cent :

COMPANIES.

Fireman's Fund, San Francisco.....	\$5,000
Traders', Chicago.....	10,000
Etna, Hartford.....	2,500
Connecticut, Hartford.....	5,000
Orient, Hartford.....	5,000
Security, New Haven.....	5,000
Meriden, Meriden.....	5,000
National, Baltimore.....	5,000
First National, Worcester.....	5,000
Alliance, Boston.....	5,000
Boylston Mutual, Boston.....	7,500
Boston Underwriters, Boston.....	5,000
Commonwealth, Boston.....	2,500
Franklin, Boston.....	2,500
Mercantile Marine, Boston.....	5,000
Prescott, Boston.....	5,000
Revere, Boston.....	5,000
Shoe and Leather, Boston.....	5,000
Buffalo, Buffalo.....	5,000
Buffalo German, Buffalo.....	5,000
Glens Falls, Glens Falls.....	5,000
Northern, Watertown.....	5,000
Rochester German, Rochester.....	2,500
" " ".....	2,500
Adriatic, New York.....	5,000
Etna, ".....	5,000
Clinton, ".....	5,000
City, ".....	5,000
Commercial, ".....	5,000
Fireman's Fund, New York.....	5,000
Greenwich, ".....	5,000
Gebhard, ".....	5,000
Irving, ".....	5,000
Kings Co., ".....	5,000
Lenox, ".....	5,000
Lamar, ".....	5,000
Lafayette, ".....	5,000
Citizens', St. Louis.....	5,000
Franklin, ".....	5,000
St. Joseph F. and M., St. Joseph.....	5,000

St. Paul F. and M., St. Paul.....	5,000
Detroit F. and M., Detroit.....	5,000
Michigan State, Adrian.....	5,000
Crescent Mutual, New Orleans.....	10,000
Firemen's, ".....	5,000
Home Mutual, ".....	5,000
Mechanics' & Traders', ".....	5,000
Merchants' Mutual, ".....	5,000
Sun, ".....	5,000
Teutonia, ".....	5,000
Union, ".....	5,000
Hoboken, Hoboken.....	5,000
People's, Trenton.....	5,000
Merchants', Newark.....	5,000
Manufacturers', Newark.....	5,000
Newark Underwriters', Newark.....	5,000
Lorillard, New York.....	5,000
Merchants', ".....	5,000
Manhattan, ".....	10,000
Mechanics' and Traders', New York.....	5,000
National, New York.....	5,000
New York Equitable, New York.....	5,000
New York Fire, New York.....	5,000
Nassau, ".....	5,000
Park, ".....	5,000
Ridgewood, ".....	5,000
St. Nicholas, ".....	5,000
Star, ".....	5,000
Standard, ".....	5,000
Underwriters' Agency, New York.....	5,000
Westchester, New York.....	5,000
Williamsburg City, ".....	10,000
Amazon, Cincinnati.....	5,000
Miami Valley, ".....	5,000
Washington F. and M., Cincinnati.....	5,000
Mercantile, Cleveland.....	5,000
Home, Columbus.....	5,000
Firemen's, Dayton.....	5,000
Armenia, Pittsburgh.....	5,000
Boatmen's F. and M., Pittsburgh.....	5,000
German, Pittsburgh.....	5,000
American, Philadelphia.....	10,000
Fire Association, ".....	10,000
Girard F. and M., ".....	5,000
Ins. Co. State of Pa., ".....	5,000
Manayunk, ".....	5,000
Pennsylvania, ".....	5,000
Union, ".....	5,000
Roger Williams, Providence.....	5,000
Rhode Island Assn., ".....	20,000
Equitable, Nashville.....	5,000
Virginia State, Richmond.....	5,000
General, Trieste, about.....	17,500
British American, Toronto.....	5,000
Belfast, Belfast, about.....	10,000
Great Britain, London, about.....	10,000
Hamburg-Bremen, Germany.....	10,000
Lancashire, Manchester.....	5,000
Liverpool & London & Globe, England.....	10,000
Queen, London.....	15,000
Royal, Liverpool.....	5,000
Standard, London, about.....	7,500
Western, Toronto.....	5,000
Milwaukee M. M., Milwaukee.....	5,000
Total.....	\$600,000

UNBROKEN PACKAGES.

Loss estimated at 40 per cent.:

Etna, Hartford.....	\$1,000
Connecticut, Hartford.....	5,000
Hartford, ".....	10,000
National, ".....	5,000
People's, Middletown.....	5,000
Louisville, Louisville.....	5,000
German, Baltimore.....	5,000
Springfield F. and M., Springfield.....	5,000
Boylston Mutual, Boston.....	2,500
Boston Underwriters, ".....	15,000
Commonwealth, ".....	5,000
Mercantile Marine, ".....	2,500
Neptune F. and M., ".....	2,500
Washington F. and M., ".....	2,500
American Central, St. Louis.....	5,000
State, Jersey City.....	5,000
American, Newark.....	5,000
Firemen's, ".....	5,000
Home, ".....	2,500
Merchants', ".....	2,500
Newark Mut. ".....	5,000
Atlantic, New York.....	5,000
Citizens', ".....	5,000
Continental, ".....	5,000
Exchange, ".....	5,000
Fireman's Trust, New York.....	5,000
Farragut, ".....	5,000
German-American, ".....	10,000
Globe, ".....	2,500
Home, ".....	10,000
Howard, ".....	5,000
Hamilton, New York.....	5,000
Niagara, New York.....	10,000
Pacific, New York.....	5,000
Safeguard, New York.....	5,000
Tradesmen's, New York.....	2,500
Underwriters' Agency, New York.....	5,000
Cincinnati, Cincinnati.....	5,000
Enterprise F. and M., Cincinnati.....	5,000
Firemen's, Cincinnati.....	5,000
Globe, Cincinnati.....	5,000
Western, Cincinnati.....	5,000
Ohio, Chillicothe.....	5,000
Pennsylvania, Pittsburgh.....	5,000
Western, Pittsburgh.....	5,000
Ins. Co. of N. A., Philadelphia.....	7,500
Pennsylvania, Philadelphia.....	5,000
Virginia Home, Richmond.....	5,000
British America, Toronto.....	7,500
Commercial Union, London.....	10,000
Imperial Northern, London.....	20,000
Lancashire, Manchester.....	5,000
London Assurance, London.....	10,000
Liverpool, London & Globe, London.....	10,000
Queen, London.....	5,000
Royal, Liverpool.....	5,000
Scot. Commercial, Glasgow.....	10,000
Total.....	\$335,000

ON FIXTURES.

Loss estimated at 35 per cent.:

Springfield, F. and M., Massachusetts.....	\$5,000
--	---------

Manufacturers', Boston.....	10,000
Neptune F. and M., Boston.....	5,000
Hoffman, New York.....	5,000
Hartford Steam Boiler, on boilers.....	5,000
American Central, gas fixtures.....	4,000

Total.....\$34,000

RECAPITULATION.

Building.....	\$170,000
Retail stock.....	600,000
Package stock.....	335,000
Fixtures.....	34,000

Total Insurance.....\$1,189,000

\$329,200 Insurance.

The Burning of the North Point Dock Bonded Warehouse in San Francisco.

(From COAST REVIEW Extra, Nov. 12.)

The most disastrous fire of the current year in this city is the partial destruction of the North Point Dock Bonded Warehouse, which occurred this afternoon. About twenty minutes past twelve these extensive premises were found to be on fire. The alarm was immediately given, and in twenty minutes five steamers were on the ground, and pouring into the building heavy and continuous streams of water.

At one time, however, it seemed that the skill and energy displayed by the department would be of little avail. The smoke was so dense that many times the firemen fell back from the engines in a state of semi-suffocation, but only to renew their efforts with redoubled vigor. It was soon found, however, that there was no hope of saving the upper story, which was then abandoned to its fate, and the force was entirely directed in an attempt to save the lower portion, and to reach the vast piles of merchandise which were stored therein. The adjoining warehouse owned by Mr. Isaac Friedlander and Mr. Gethen, the lessee of the North Point Dock Warehouse, was at one time in considerable danger, but destruction was prevented by well directed streams of water; and by the assistance of the Fire Patrol, who covered the goods with rubber blankets, they have sustained little damage.

The origin of the fire is unknown. It was discovered on the second story while the workmen were at dinner. The goods in

store consisted principally of tin, pig-iron, plate-glass, sugar and liquors—on the two first articles there will be considerable salvage.

The principal owners of the goods destroyed are—C. A. Low & Co., Locke & Montague, Merrill, Holbrook & Co., Parrott & Co., Rodgers, Meyer & Co., Sullivan, Kelly & Co., Williams, Blanchard & Co., Balfour, Guthrie & Co., Bay Sugar Refinery Co., W. T. Coleman & Co., Dickson, De Wolf & Co., Huntingdon, Hopkins & Co., and Cross & Co. It is said that on \$75,000 worth of goods belonging to one firm there was no insurance, which is lucky for the insurance companies, but very bad generalship on the part of the owners.

Notwithstanding the difficulties which the firemen had to contend with, the fire was completely under control in three hours, from the time of its commencement.

As the goods destroyed had been stored in bond, it has been said by an evening paper that the Government will be a loser in the amount of the duties; but a little reflection will show that this is not the case. The goods destroyed being in demand for consumption, will be replaced by other importations, on which duties will be paid in due course.

The North Point Dock Warehouse is among the old business institutions of San Francisco, having been established in 1852. At least there was then a warehouse of the same name on the same site. Bonded warehouses are generally considered desirable risks by the insurance companies. No bonded warehouse has been destroyed by fire since the burning of the Hathaway warehouse, which was caused by the explosion of giant powder in 1875.

The total insurance on the goods and building amounts to \$329,200, of which \$20,000 only is on the building. As will be seen from the figures below, the Liverpool & London & Globe, Hamburg-Magdeburg, Guardian, Home Mutual and the Berlin-Cologne are the heaviest losers. The insurances presented below have been taken from the books of the underwriting companies and agents, and can be relied upon as correct.

HOME COMPANIES.

Home Mutual, San Francisco	25,000
California Ins. Co., S. F.	5,000
Union, San Francisco	1,600

EASTERN COMPANIES.

Ætna, Hartford	\$9,500
Hartford Fire, Hartford	3,000
Ins. Co. of North America	5,000
Atlas, Hartford	2,500
Girard, Philadelphia	2,450
New Orleans Ins. Association	5,000
Union, Galveston	2,500
Home, Columbus, Ohio	5,000
Revere, Boston	1,275
Westchester, N. Y.	500
St. Joseph, Mo.	2,000

FOREIGN COMPANIES.

Commercial Union	7,500
North British & Mercantile, London	9,250
Hamburg-Magdeburg, Hamburg	27,000
New Zealand, Auckland	4,000
Guardian, London	32,800
Transatlantic, Hamburg	8,600
Western, Toronto	4,000
London Assurance Corporation	21,000
Scottish Commercial, Glasgow	13,200
Imperial, Northern and Queen	34,525
Lancashire, Manchester	5,000
Svea, Gothenburg	3,000
Royal and Norwich Union	18,500
Hamburg-Bremen	7,000
Liverpool & London & Globe	42,000
Berlin-Cologne, Berlin	17,000

Total.....\$329,200

The Commercial Union.

The Commercial Union Insurance Company, of London, says the *Insurance Times*, of New York, is making some important changes in its American agencies. Among them is the appointment of some leading bankers and merchants as trustees. Previously it had a Board of Reference, whose function was confined to the endorsement of the company's soundness and sufficiency. The new trustees will exercise a strict and thorough supervision over the business of the company. The new board, with the sanction of S. Stanley Brown, the company's Secretary, and Middleton Campbell, one of the London directors, appointed Alfred Pell United States manager. The appointment has received the confirmation of the London board. Mr. Pell has been engaged in the business of underwriting since his boyhood, and succeeded his father as the

manager of the Liverpool and London and Globe in this country. When its American agency was divided into local sections by Mr. Thomson, contrary to the views of Mr. Pell, this gentleman resigned. Mr. Alfred Pell is a man of wealth, high standing and wide influence. He takes his position at the head of an agency already built up, yielding an annual revenue amounting to nearly \$700,000, derived from the premiums of the most select line of risks, and with a reputation unsurpassed in the country. There is no reason why Mr. Pell, with his great experience and reputable standing, should not carry on this agency with increasing prosperity, especially as he has an advantage over his predecessor—being paid a regular salary in addition to a commission on the net profits; and if he can only abate a little of his inherited aristocratic mannerism and make himself more genial and popular, his accession to the Commercial Union will be a benefit to all parties interested.

What the Receivers are Doing.— The condition of the Thirteen Broken Life Insurance Companies of New York.

We call attention to the following synopsis of the situation from the New York *Sun*. It will be seen that the Continental, North America, Security, and Guardian, the only insolvent companies that issued policies to any extent on this coast, are estimated for a dividend of about 35 per cent. The registered policies of the North America are said to be good for 75 per cent. The total liabilities of these four companies amount to about \$14,000,000, and if we suppose \$800,000—a very large estimate—to be due to Pacific Coast policy-holders, there will probably be a final loss to them of \$400,000, which will fall principally on persons who have it in their power to effect new insurance in solvent companies. It is upon such a small foundation as this that the *Bulletin* has been trying to engineer a panic in life insurance.

"There are thirteen life insurance companies in the hands of receivers in this city.

Some were insolvent as far back as 1873, but no settlement has yet been effected or dividends made.

The Ashbury, which was declared insolvent in October, 1874, has assets amounting to \$144,269. The liabilities aggregate \$229,000. Of the assets only \$123,467 are available. A referee is deciding on the claims, and it is probable that the death claims will be paid in full. Providing there is no opposition the receiver expects to settle in December.

The American Popular's affairs are in a very unsatisfactory condition, and there is no probability of a report for a long time. The assets have been reduced to \$271,662, and this embraces \$75,000 claims for dividends. The department placed the liabilities at \$512,501. The final dividend will not be over thirty per cent.

The receiver of the Continental is engaged in the valuation of policies. The legal expenses connected with the receivership have been very heavy. The exact value of the assets cannot yet be decided by the receiver, but he believes there will be \$2,500,000 for the creditors. The liabilities amount to \$5,300,000. When the legal and other expenses are paid there will not be sufficient money left for a dividend over thirty-five per cent. There is no prospect of a settlement for at least a year.

The receiver of the Commonwealth has prepared the papers to procure the \$100,000 deposited in Albany, and, this obtained, he will have \$132,000 of assets with which to pay \$69,642 of liabilities, leaving a surplus which will revert to the New Jersey Mutual. Every dollar of the liabilities will be met, and at an early day, unless there be trouble in obtaining the deposit in Albany.

The Guardian Mutual's affairs are in an unsatisfactory condition. The assets—a large amount of which are in premium notes—aggregate \$754,873, while the liabilities reach \$1,414,523. As matters now stand, the dividend will be thirty-five per cent.; but if Receiver Pierson should succeed in his \$4,000,000 suit, all dues could be paid. There is no probability of a report being made for a year, or perhaps two.

The business of the Great Western Mutual has been nearly wound up, there remaining but \$3,000 undistributed.

An attempt to reorganize the North America has been made by policy-holders, who would compel the company to proceed with its business. The reserve for registered policies is intact. The actuary of the company has reported to the court that it would be impossible for the company to continue successfully, and the receiver is trying to get the \$1,150,000 deposited with the State Department. The registered policy-holders will probably in the end obtain a dividend of seventy-five per cent., and the unregistered thirty per cent. When the end will be reached and a dividend declared, nobody has a definite idea.

Mr. Wickham of the Security is preparing his report, and will within a few weeks apply for a referee to examine and pass on his account. After he has made his report the creditors will be left to fight among themselves as to the method of its distribution. The liabilities are \$4,101,536, and the assets \$1,877,208; of the latter \$1,488,253 is in premium notes. There is \$325,000 in cash. The dividend will be thirty-five per cent.

Policy-holders in the World Mutual will receive 60 per cent.—the assets being \$117,513 and the liabilities \$162,434. A settlement will be reached within a few months.

The Widows' and Orphans' Benefit policy-holders have claims only against the Guardian Mutual, with which company it was amalgamated. There yet remains in Albany \$100,000 deposited for the benefit of the creditors of the Widows' and Orphans'.

The receiver of the Eclectic is endeavoring to obtain the \$97,000 deposited in Albany. Several suits have been had to procure this, but on technicalities have proved abortive, which is the only cause of delay."

—A pig insurance company is the latest English novelty. "To what base uses may we return, Horatio!" We think this concern will be all cry and little wool, as the devil said when he was shearing his porcine stock.

The Blundering Bulletin on the Life Insurance Law.

"Two years ago many of these bankrupt life insurance companies, which were then doing business in this State, set up a howl of indignation because a law was passed requiring them to deposit securities in this State for the protection of policy-holders here."—*S. F. Bulletin*, Nov. 23, 1877.

A few years ago, in one of the large cities, there was being exhibited an animal which, uttering some semi-articulate vocal sounds, was denominated by the showman as a "talking fish." A reporter having been requested to interview the phenomenon, wrote about it to his paper as follows: "Your correspondent can with propriety describe the animal as a talking fish, with this exception, it is not a fish, and it does not talk." A similar avouchment and limitation may be applied to the *Bulletin's* statement as quoted above. Its assertion that there was a howl of indignation over the life insurance deposit law, enacted two years ago is perfectly true, except that there was no howling, that no life insurance law was passed two years ago, and that no deposit law in relation to life insurance was passed at that time or at any other period. We have once or twice instructed the *Bulletin* correctively in regard to this blunder, which has appeared more than that number of times in its columns and those of its colleague, the *Call*. Its reiteration, therefore, moves the matter from the region of reason into that of ridicule and contempt.

The "howl of indignation" is a figure of speech with which we are perfectly familiar in the literary effusions of our old friend Foard. That functionary, who is just as malevolent toward the interests of life insurance as the *Bulletin*, and only a little less ignorant, endeavors in his reports to convey the idea that the life insurance law which was passed four years ago, under his inspiration, and which he regards as the perfection of human wisdom, was unsatisfactory only to the bankrupt companies. Nothing is further from the truth. The Republic of Chicago, rotten to the core

from the result of a dozen speculating amalgamations, gladly complied with the law, and would have complied with any law which might have given it official recognition. If it gave voice at all on the occasion, it was certainly in a chuckle of congratulation very different from the "howl" that was invented for it in the Commissioner's rhetoric. The now insolvent Continental did not register under the law, but it remained here until the period of its avowed insolvency, while Foard and his law were quite powerless to prevent its operations. The law was unsatisfactory only to some dozen first-class companies which having assets to the amount of two to three hundred millions, and possessing a fine field for business in the Eastern States, simply turned their backs on the fatuous Foard in silent disdain.

The hostility of the *Bulletin* to life insurance companies is very ridiculous, but it is also very mischievous, and we caution the public to accept its statements on this subject only after rigid examination. Since the settlement of California by the Americans, there has not been as much lost here by life insurance failures as the amount of valueless deposits in Duncan's Bank. Many of the policy-holders in the insolvent companies will receive dividends sufficient to effect a new insurance in companies of irreproachable character. If they do not make such attempt at provision for the future, it will probably be owing to the *Bulletin's* tuition. The citizen whose case is cited by that journal, and who died leaving his family only a paid-up policy in an insolvent company, might have insured in one of the first-class solvent companies but for the law that drove them from the State. He probably, however, read only the *Bulletin*, and was led to believe that all life insurance companies were on the same footing in regard to standing and responsibility. Our advice to the *Bulletin* is "be sure of your facts, then go ahead." That journal, as is well known, discourses not only on insurance, but on morals, politics, finance, literature and what not. On these subjects we are unable to criticise it, but if the *Bulletin's*

knowledge of them is constructed on the principle of its insurance premises, the public are presented daily with a farrago of nonsense which is a satire on the intelligence of the age.

The Life Insurance Law—Surrender Value Clause.

The surrender value clause in our life insurance law, were it not practically evaded, would be a prohibition against all life insurance companies which desire to deal with all its policy-holders on an equal footing. Apart from the question of equity which is involved in the consideration, it is not to be supposed that any eastern company would draw upon itself the resentment of more than nine-tenths of its policy-holders by granting an exceptional advantage to its California constituents. The two or three eastern companies which have consented to operate here under the law complained of, in reality recognize the objection that has been advanced, and insert in their printed forms a waiver of the privilege which otherwise the assured would be entitled to demand. The law then, at least the surrender value clause of it, is a nullity on any principle of protection that may have been designed for the policy-holder, and its only effect is to keep out of our State a desirable class of companies which do not care for admission, except under such regulations as are prescribed for them in the localities of their organization. It is needless to say that this is a diminution of the insurance facilities and securities of our people, and an injury to them in general. The condition of a compulsory surrender valuation payable in cash is one which cannot be submitted to by any company that has a prudent regard for its future responsibilities. The investments of life insurance companies are made, principally, for long terms, and with the view of reconverting them into money solely for the payment of death claims. The necessity of realizing on these investments for other purposes would often cause a shrinkage of assets, which might endanger the solvency of the companies. It is easy to conceive what would be the effect

of a run on the life insurance companies which might naturally occur were they compelled to pay the present value of their liabilities either on demand or at a short date.

Such a run would probably be made in a stringent state of the money market at the very time when realization of assets could be effected only by the ruinous sacrifice of securities. Such a sacrifice would prostrate not only the life insurance companies, but all other financial organizations throughout the country. Fancy the aggravation of evil that would come in a time of monetary trouble by throwing into the market only one-fourth of the \$400,000,000 of securities which are held by the life companies as a reserve for the policy-holders! It may be said that the life companies should invest only in national or state bonds, which are not liable to great shrinkage in value, but still the danger that has been indicated would inhere in some measure even to this species of security, and the low rate of interest obtainable from it would cause an increase in the price of insurance of perhaps fifty per cent.

The mode of computation adopted by the Legislation of this State in fixing the valuations to be paid by life insurance companies to retiring members is not supported by any actuarial authority of sufficient eminence. The celebrated English actuary, Dr. Farr, and after him, Mr. Elizur Wright, of Boston, endeavored to establish a principle of surrender valuations that might be safely used by life companies in settling the surrender valuations on ordinary policies, but it is not understood that either of these authorities consented, as the Legislature has done, to place all policy-holders, new and old, on the same footing of surrender per centage. Such a proceeding, as will be seen by any one who will consult an ordinary table of life valuations, and reflect on the nature of the contract that is made between the companies and their policy-holders, subjects the old member, whom the company is willing to get rid of, to a greater proportionate charge than the new member, whom the company is anxious to

retain. Even if the charge were the same in both cases, the operation would be unjust. We are told, it is true, in the parable, that the laborer who came to work at the eleventh hour received as much wages as he who had borne the burden and heat of the day; but although this is a very proper metaphorical illustration of Christian principle, it is quite inapplicable to the practice of mutual insurance.

There are other objections to this compulsory surrender clause; but for the present, if our argument against its noxious qualities be set aside, we take our stand on its utter futility. It is no test of solvency, and will not prevent the admission into the State of any company that may be careless of its future responsibilities.

A Chance for a little Legislation.

The request of Diogenes to Alexander, that the latter would stand out of the sunshine, will aptly illustrate the position of the insurance companies in regard to supervisory legislation. Ordinarily, they only ask of the Legislature that they may be let alone, with liberty to pursue their happiness in whatever direction it may be running. Our experience of what is called State supervision is not of such a nature as to separate us in sentiment from the interests we represent, and remembering the epitaph on the man who "was well and would be better," it is with something like fear and trembling that we now consider the propriety of calling for aid on the legislative doctors.

The cosmopolitan character of California institutions finds another exemplification in the numerous nationalities which have helped to compose our system of fire and marine insurance. "From Greenland's icy mountains to India's coral strand" there is hardly a latitude which has not furnished us with a fire or marine company. Mesopotamia has not yet been heard from, and the Elamites, whoever they may be, have not yet put in an appearance; but from the "isles afar off" there is an ample representation. There is nothing to be said against any of these companies, and it is generally

believed that they are all entitled to public confidence. In no spirit of detraction, therefore, do we now call the legislative consideration to some conditions of their financial status that are not quite satisfactory.

Some of our foreign companies are also doing business in New York, and have deposited with the Insurance Department of that State \$200,000 each as security for American policy-holders. They also have invested in special trust in the hands of American citizens and residents funds sufficient, with the amount of their public deposits, to cover all their reinsurance liabilities in the United States. On these companies certainly it is not necessary to make any further requirements, and our advocacy of legislative interference is applicable merely to those foreign companies which, doing American business only in this State, have not been required to make any deposit of securities, either public or private. The depositing foreign companies naturally complain that they are bound by conditions from which the non-depositing foreign companies are exempt, and say that in the event of a general conflagration or great marine disaster, while they would have to stand the brunt of loss, their rivals might retire to their own countries, and be beyond the reach of legal process, as they have no property which would be within the reach of a court of the United States. The eastern and local companies also feel dissatisfied from the same cause, and require that the burdens to be borne by themselves and their competitors shall be equally adjusted.

THE COAST REVIEW, as it is well known, is not in favor of the deposit law, at least it has always contended against the application of such a law to the companies of other States; but it is not clear that an exception might not lie against the companies of foreign countries which have no property invested within the jurisdiction of our courts. Nor do we apprehend that any objection would be urged against the passage of such a law by the better class of those companies. It would place them on the same favorable

footing in public estimation as their competitors, and would be the means of keeping out foreign companies of doubtful stability. This journal is in favor of the freest trade in all insurance, and it is merely in accordance with this principle that we now suggest the application of one weight and one measure to all the companies that are operating within our borders.

Conviction of Robert L. Case, President of the Security Life Insurance Company.

Whatever may be the extent of official malversations and malfeasances in the City of New York, it cannot be denied that lately its courts have been severe and prompt in executing justice on offenders in high places. The law has made it very hard for Tweed and his co-transgressors—Gilman is doing the State some service in the Auburn prison, and the personnel of the State penitentiaries will probably soon be further dignified or disgraced—according as the present occupants may view the matter—by the admission of the late president and the late secretary of the Security Life Insurance Company. The conviction of the president of a life insurance company on a charge of felony inaugurates an era of reform not only in institutions of that sort, but in all other institutions of a fiduciary character. The public will no longer endure that their hard-won wages and the provisions for their families shall be swallowed up by the luxurious sinners who have been fostered by our loose code of social morality. "It is not meet to take the children's food and cast it to the dogs."

Although it is a fair inference that Mr. Case and his official confederates have purloined the funds of the Security's policyholders, he was indicted only on the charge of perjury. The act on which the conviction was obtained was the swearing to an affidavit in regard to the company's condition, by which the cash in bank, \$900, was represented as \$200,000, and the item of real-estate assets was in like manner fraudulently raised from \$180,000 to \$450,000.

Mr. Isaac H. Allen, the secretary of the company, who is described as a venerable quaker, also signed the affidavit, and will be shortly placed on trial for his share in the criminality. The criminal intent and commission were clearly proved against Mr. Case, not only by the external evidence, but his own statements. It was thought that he had a loop-hole of escape in the fact that he did not appear personally before the notary who attested the affidavit, but the court very properly ruled that, under the circumstances, this technical defense was of no avail. It is to be hoped that the accommodating notary will be dismissed from office.

Mr. Case being about to expiate his offense by sentence of law, it is not the province of the press to punish him by harsh animadversions, and his personality is used at present only to point the moral against all offenders who are unwhipped of justice. It is peculiar to the system of life insurance that it can be kept within the conditions of a fixed science, and that no hazard can come to policy-holders except through the dishonesty of the managing officials. A few more convictions of presidents and secretaries will soon place the failure of a life insurance company among the things that are forgotten. It is quite time that the maudlin sentiment which always rises to extenuate the offenses of men in Mr. Case's rank of life, should be trampled on by public opinion. It is seldom that anything can be found to commend in the doings or sayings of the infamous Judge Jeffreys, but there is one expression of his for which he may well be honored: "I'd rather hang a rogue in ruffles than a rogue in rags."

—The receiver of the Continental Life has instituted proceedings to recover illegal dividends paid to directors and other stockholders.

—The New York *Tribune* says that on the result of the indictments now pending against certain officers of life insurance companies will depend the public confidence in life insurance generally.

Burr's Breeches Pockets.

A friend of THE REVIEW has characterized as the best joke of the season, the recommendation made in our last number, that if the charges alleged therein against Mr. Burr be true, he should be dismissed from the presidency of the Clay St. Bank. Being now better informed of the circumstances of his relation to that institution, we can fancy the look of disdain that he cast on our suggestion, and the tone in which he parodied the famous saying of the famous French monarch, "I am the state!" "Dismiss me from the bank!" quoth Burr, "why, I am the bank."

Dummy trustees may flourish or may fade, A breath can make, them, as my breath hath made;

But kick me out! I guess you'd better try it: I am the bank; let him who dares deny it.

The fact, if fact it be, that \$12,610,009, and twenty-five cents of the people's savings are deposited in Mr. Burr's breeches pockets, is one of a portentous nature, and perhaps, as the advertisements say, is not generally known. We cannot predict to what eccentricity we might be induced by the possession of even a small part of the sum included in these formidable figures, but we think we would not invest it in the capacious receptacles of Mr. Burr's nether garments. If that gentleman owns, as it is reported, the greater part of the capital stock of the Clay St. Bank, he is possessed of a degree of uncontrollable power which is dangerous to the interests of the depositors. It may be said that Mr. Burr is so wealthy in his own right, as to place him beyond the temptations that beset the schemes of impecunious financiers, and we are willing to accede to the proposition, although we remember some cases in which the possession of great private means did not prevent the perversion of fiduciary funds. We are alive to the difficulty of effecting any legislation that would practically prevent a wealthy corporator from acquiring a majority interest in the capital stock of a savings bank, but the public can avoid those institutions which are under autocratic sway. Recent experiences in San Francisco tell of

the troubles that come to financial concerns by the establishment of the one-man power. It may be accepted as a very sound maxim in banking economy, that where the manager inflicts his personality and patronymic on the institution managed, there are absent many omens of good fortune. Mooney's bank and Duncan's bank are not associated with pleasing reminiscences. Burr's bank, as it is popularly called, still stands and "defies augury." We hope that it will continue to do so, and it is with a view to its perpetuity, that we have taken a friendly and supervising interest in the proceedings of its manager.

Reckless Underwriting.

It was asserted by the president of the Underwriters' Association of the Northwest, at its recent meeting, that from 1791 to 1859 the fire insurance business not only paid no profit, but made a large loss of capital. The interval between the latter date and the present time has been, it is presumed, moderately profitable; but the general fire insurance business is advancing with rapid strides to re-establish the old condition of chronic loss. The barriers which were erected against reckless competition in rates are being rapidly overthrown, and it is perhaps not too much to say that in San Francisco alone is there any organization which is fighting to maintain the conservative influences of legitimate underwriting. How long this organization will be maintained in the face of the demoralization that has been caused by the secession of an influential part of its former constituents, is a problem to be determined. The San Francisco Board of Underwriters has evinced an exemplary patience and consistency in adhering to the principles of its organization, but it is too much to suppose that the members will forever submit to the sweeping away of large portions of their business by their non-board competitors. The better class of the non-board companies are probably also disgusted at the turn that things are taking, and it is to be hoped that they will set the example of a return to the

restrictive regulations of the Board. Those who remember the disastrous consequences of the general suspension of the tariff in 1870 will hardly allow themselves, without an effort at salvation, to be drifted toward a similar state of ruinous competition. During the recent troubles which pervaded the whole country, San Francisco made for itself a distinguishing reputation for conservatism and good sense, and it is not too much to infer that the underwriting interests of the city will not prove an exception in the general record. The suspension of the Board, now or at any other time, would be a public calamity. Apart from the question of rates, it is only from such an organization that we can expect a control of the causes which are swelling the volume of fire losses to an extent that is alarming not only to the insurance companies, but to the public at large.

The permanent evil of the fire insurance business throughout the country, is in the number of the companies—a number altogether beyond the needs of the public. There are now in existence in the United States 981 fire companies, a number larger than that of the fire companies in any other country, even considered proportionally to our large population and large resources. According to the figures of the president of the Association of the Northwest, of 500 certain insurance companies 11 are worthless, 14 insolvent, 8 with less than \$1,000 net surplus; 19 with less than \$5,000; 18 with less than \$10,000; 34 with less than \$15,000; and 15 with less than \$20,000. It cannot be doubted but that to the insolvent class in the foregoing compilation the experience of the present year will add a considerable number. The practical remedy for the evil complained of naturally lies in decreasing the number of companies—and additional legislation is talked of for this purpose. It is proposed in New York, where no companies are admitted with a capital less than \$200,000, to increase the qualification to \$500,000, and if the principle of this restriction be admitted, the degree to which it is now proposed to carry it may be fair and reasonable. The increase in values

generally have been so great during the present generation that \$500,000 is hardly a more powerful factor in the financial system than was \$200,000 at the commencement of the last decade. The details of this innovation it is at present beyond our power to discuss, but we incline to the opinion that more can be done in the premises by public discrimination than by legislative interference.

Hitchcock vs. Wallace. — Action for Slander.

“When Greek meets Greek,
Then comes the tug of war.”

Hitchcock and Wallace are two Greeks of the insurance persuasion, sometimes spoken of by the profane vulgar in their odious parlance as drummers. Wallace sounds the tocsin for the New Zealand Insurance Company, and Hitchcock formerly officiated in the same noisy capacity for Farnsworth & Clark, but was recently placed by them on the disabled list, on account of a complaint in his cash, technically called the shorts. Wallace, forgetting, or never having heard of Napoleon's advice, that families (which term includes also brother brokers) should wash their dirty linen at home, proceeded to perform a lavation on Hitchcock's soiled skirts in the streets of Oakland and Alameda, which places are honored respectively by the domiciliary settlement of the plaintiff and defendant. The offended Hitchcock, with as little regard for fraternal secrecies, brought the matter before the Third District Court on the 23d of last month, and complained therein that his “cheek” had been smitten by Wallace, and damaged to such an extent as necessitated the purchase of healing ointment to the amount of \$5,000.

It was averred that the defendant had stated to the public generally, but especially to one Canning and his wife, that the plaintiff had been discharged by his principals for the shortness in cash before referred to; and that the defendant had thereby endeavored to convey the idea that the plaintiff was a defaulter and an embezzler. Canning testified that Wallace

had told him of Hitchcock's discharge from the agency for Farnsworth & Clark on account of a want of punctuality in the settlement of premiums; and Mr. Clark, of that firm, testified that Wallace's statement to Canning was perfectly true. At the time of this statement Hitchcock was indebted to his principals about \$700 for premiums on policies that had been running sixty days. This sum, however, had since been settled. Mrs. Canning was not examined, and there was no other evidence. The plaintiff being unable to show that the communications of the defendant were understood to mean that the former was a defaulter and an embezzler, the Court dismissed the complaint. In this way ended the legal tournament of these two knights of the brazen cheek, and the people of Oakland and Alameda, who had been looking forward to this great contest with sensational impatience, are now restored to their equanimity. No damage has been done and Mr. Hitchcock's financial reputation in the matter is as pure as snow. Farnsworth & Clark have got their \$700 and also are content.

"The man has got his mare again,
And all shall be well."

La Caisse Generale.

The Pacific Coast agency of the La Caisse Generale (French Insurance Corporation) has been transferred from Messrs. Brown & Desmond to Messrs. Hutchinson & Mann. This new accession to the already extensive agency of Messrs. H. & M., will add materially to their facilities of furnishing indemnity to the citizens of our Coast. The French Corporation is a company with total assets of \$5,605,282, \$200,000 of which is deposited with the state department of New York. Colonel Woods, deputed by the Insurance Departments of Michigan and Missouri to investigate the condition of this Company, visited Paris lately and made a careful examination of its business assets and liabilities, and found them entirely conformable to the sworn statements made to the Departments and indicative of a high state of prosperity.

The Company's reputation for soundness

and security is unquestioned in France, and it is therefore entitled to implicit confidence in America.

The Corporation's business in America has been successful and quite encouraging to its managers. The business under Messrs. Brown & Desmond's management on this coast has been both profitable, and, we believe, satisfactory, to the home office. Messrs. H. & M. have the agency for the whole of the territory west of the Rocky Mountains, and will doubtless give a satisfactory account of their operations at this end of the line.

Kinsley & Wright.

Under the above firm name J. W. Kinsley, late of Kinsley & Co., general insurance agents, and E. D. Wright, late of Stone & Wright, agents for the Lamar, have formed a co-partnership to do a general fire and marine insurance business at 322 California Street, under Wells Fargo's Bank. These gentlemen represent the Security Ins. Co. of New Haven, Conn., and the Manufacturers' Ins. Co. of Newark, New Jersey. The Security was organized and commenced business in 1841, and has a cash capital of \$200,000, with assets of about \$400,000, and a net surplus of more than \$50,000 over capital and all liabilities, or a surplus as to policy-holders of over \$250,000. The Manufacturers' of Newark was organized in 1873, with a paid-up capital of \$200,000, and now has assets of about \$325,000, and a surplus as to policy-holders of \$225,000. Both the above-named companies are well and favorably known throughout the East, and to some extent on this coast. The directory and managers are among the leading business men of Newark and New Haven.

Mr. Wilkinson, president of the Manufacturers', and Mr. Mason, secretary of the Security, made a recent visit to this coast, took a general survey of the situation, and arranged details with their representatives, giving them increased facilities for extending their business, and Messrs. Kinsley & Wright are now ready to furnish indemnity

to the citizens of the coast on the shortest notice. Country correspondence will receive prompt attention.

Correspondence.

PORTLAND, OREGON, Nov. 20, '77.

Publisher Coast Review—Dear Sir:—Being a constant reader of your review, and naturally supposing that a few items relative to the insurance business at this place would be acceptable, I take the liberty of penning these few lines, hoping that by doing so I am not intruding upon your time and space.

The Connecticut fire Insurance Co. of Hartford have made their deposit at the State Treasury, and have cast their anchor in Portland, and are now prepared for biz. The agents are the Bachman Bros., both well and favorably known throughout Oregon and Washington Territory—particularly so is the genial "Joe," or, as he is better known, "Money-bags." The affable and courteous special, Mr. Kipp, has done well in placing these gentlemen as the agents, as they are rustlers, and will make the other insurance sharps wipe the cobwebs from their eyes and look out for the renewal of their own risks. This makes now a total of ten companies doing business here, as follows:

Union, Northern, Connecticut, Fireman's Fund, Home Mutual, Royal, North British and Mercantile, State Investment, London and Liverpool and Globe, Imperial and Queen—two of which (the Home Mutual and State Investment) are non-board, the rest being board companies, that is, *some of them*.

On the evening of the 8th inst. the Bishop Scott Grammar School was burned. The fire is supposed to have been caused by incendiarism. The particulars are as follows:

At 7:30 P. M. an alarm was turned in from Box 8, corner of Morrison and Tenth Streets. The engines immediately repaired to the spot, but the turner-in of the alarm had left, and there was nobody to direct the firemen, who naturally supposed it a false alarm and went home. During all this

time the students at the school, some distance from the alarm box, were fighting the flames in the cellar of the building. After exhausting their energies in endeavoring to subdue the fire, and seeing no engines, a second alarm was turned in. By this time the fire had got beyond their control, and had burst out from the windows and sides of the doomed building, which illuminated the whole horizon. The Fire Department needed no other guide now, and immediately pulled their pet machines to the scene, as fast as muddy streets and "chuck-holes" would allow them, the distance being about one mile from the nearest engine-house. Owing to some misunderstanding, water was not got upon the building until too late to do any good, although a cistern-full was within twenty feet of the building; so you see a total loss was the result. The insurance is divided as follows:

Imperial and Queen, on building.....	\$8,000
" " " on chemical instruments...	1,250
" " " on piano.....	300
" " " on organ.....	100
Home Mutual, on building.....	4,500
" " furniture and fixtures.....	500
Fireman's Fund, on private property.....	1,194

This, we hope, will terminate the fires of 1877.

I could go on and give more news, but am afraid I have intruded too much already, and therefore will stop and see how my first efforts are crowned.

Yours truly,

INSURANCE.

["Insurance" can feel *assured* that it is no intrusion on time and space to have items of news concerning insurance matters in Oregon, and he has a cordial invitation to send to THE REVIEW any and all items concerning the business in his field, the fires, their origin, the water supply, fire department, etc., etc., all of which will be of interest to our coast readers, which are *many* and of the *best* class of citizens.—EDITOR.]

—The Commercial Union Assurance Co., of London, has commenced a civil suit against Elijah Alliger, of the firm of Alliger Bros., the late agents of the company in New York. The amount sought to be recovered is \$125,000.

The General Result of the Life Insurance Law.

This law having been in operation about four years, may reasonably be supposed to have been tested by a sufficient length of experience. Adopting the usage of mercantile bookkeeping, it is now proposed to take stock of its operations, and to strike the balance of its profit and loss account. The first effect of the law was the withdrawal of some dozen first-class companies, representing in the aggregate about three hundred millions of assets. Many of these companies had been in business during a whole generation, and all of them are at this moment in good financial standing and of irreproachable character. It is no disparagement to the life insurance companies doing business in this State to say that numerous California citizens have preferences in favor of the departed companies, or of others not admitted to this State, and are willing and anxious to insure with them on the conditions which are granted by them to their policyholders in other States. Indeed, insurance to a considerable extent is so effected, either by applications made directly to such companies, or through the mediation of some agent or broker employed by the applicants. Many of our citizens, however, object to this mode of business, as they dislike to place their insurance in the hands of companies which are not represented here by legally authorized agents to whom they can pay their premiums without inconvenience, and on whom process can be served in the event of litigation. These would-be customers of the outside companies, then, either reluctantly insure in the channel marked out for them by law, or remain altogether without insurance. Even in the former case, they do not get the advantage which the law has desired to force upon them by the compulsory surrender value clause, which drove away their favorite companies, for they are compelled to sign a waiver of all prospective rights under that clause, before they can get insurance in a local or localized company. It is therefore almost superfluous to say that the surrender value clause, which is claimed by

the advocates of the law as its essential advantage, is a nullity for the protection of policy-holders, and that the only effect of that clause is to obstruct citizens in the making of a rightful contract according to their own desires.

Excepting such of our citizens as are members of the wealthy corporations that have been driven from the State by the operation of the life insurance law, it may be said that the injury done to these corporations by that process is very slight. They have the confidence of the country generally, and in their extensive area of business can hardly feel the want of a revenue from the sparse population of this State. In inviting them here, and in encouraging them to stay, it is our advantage that would be chiefly promoted. Even now, as has been before explained, they derive some income from California citizens by direct applications, but on these transactions the State takes no tribute, and there is no machinery known to legislation which can prevent them. Would it not be well to freely admit this business and to obtain from it some contribution to our taxable and other resources? When smuggling cannot be prevented, it is the part of good fiscal economy to freely admit the commodity, or to place it under the lightest restrictions. Pursuing the system of bookkeeping on which we started to analyze the subject, we may fairly place the surrender value clause to the debit of Loss Account; but before doing so we will review the arguments that have been used in its favor. It was claimed that it would prevent the confiscation of the insured's interest in policies that might lapse for non-payment of premium, but we have already demonstrated that this cannot be, as some of the companies which grant new policies to Californians have withdrawn themselves from the operation of the law, and the others insert a waiver of the surrender value right in their forms of application. Whatever surrender value is paid by the companies on lapsed policies is given according to their own regulations, either in cash or by a paid-up policy. It is seldom that any company does not voluntarily, in some shape,

give some return premium for a lapsed policy that has been in existence two years or more. The objections to the compulsory clause in the law, over and above those already stated, are that it is based on an arbitrary valuation, and that a run might be made on the life companies in a time of monetary panic, or on account of some rumor or litigation which might temporarily affect their credit. The assertion often made, by the advocates of the surrender value clause, that it keeps out insolvent companies, is supported neither by experience nor probability. It did not keep out the disreputable Republic of Chicago, and can be no bar to the operations of any company that may be meditating a fraudulent insolvency. The surrender values would be readily paid by such a company, as an attraction for more business, just as a bogus savings bank will pay, for a time, any dividend that may be expected by its depositors.

Against the items of loss which we have set down on the debit side of the life insurance law, we cannot find any set-off of present or prospective profit. If the operations of that law confine the business of life insurance to the few companies that are now here, these companies will either evade the surrender value clause or indemnify themselves in advance against the dangerous nature of its conditions by increasing the rate of insurance. The price of life insurance, like that of physical commodities, is regulated not only by its direct money cost, but by the dangers and difficulties that may contingently affect the transaction of its business.

The New York Life Insurance Company.

This is one of the companies that were ejected from this State four years ago by the operation of Commissioner Foard's pet insurance law, but it is an institution highly cherished, not only in the city of its organization, but in all the commercial centres of the Eastern States. It is to be hoped that our legislators will see the wisdom of repealing the obnoxious law which prevents the people of California from participating in the protective resources of this company

and others of a similar standing. The New York Life Insurance Company has recently been subjected to a rigid test of its stability, by the examination of the insurance department of that State, and the result is a confirmation of the favorable public opinion, which the company has earned by a discreet, just and generous course of action during the long period of its existence. The New York Life was organized in 1845. In another part of this issue will be found the report of the New York Insurance Department in full. The company's assets, after rejecting all prospective and contingent values, amount to \$32,945,621.30, and the liabilities being \$26,982,742.51, there is a net surplus for policy-holders of \$5,962,878.79. The Superintendent concludes his report by stating that "this great corporation is entitled to public confidence, and its officers to his warmest commendation."

City and County License Law.

By an ordinance passed on the 18th of June, 1872, which is still in force, all agents of insurance companies doing business in the City and County of San Francisco, were divided into four classes for the purposes of the license tax. The language of the ordinance is, in substance, that the amount of the license shall be fixed on each class, according to the business done by it, as follows: On agents doing business to the amount of \$50,000 and over, one hundred dollars per quarter; for \$25,000, and less than \$50,000, seventy-five dollars per quarter; for \$10,000, and less than \$25,000, fifty dollars per quarter; and for less than \$10,000, twenty-five dollars per quarter. Hitherto, the word business, in the ordinance, has been construed to mean the business done in San Francisco only, and the license tax has been apportioned in accordance with that construction. Now, however, the License Collector claims to establish the basis of this taxation on the amount of business done in the State of California, and his position has been sustained by the opinion of the City Attorney. Some of the agencies that would be affected by the enforcement of this ruling have more than a hundred sub-agents in

different parts of the State, and these branches are subjected to the payment of local license. It is quite contrary to the spirit of all equitable legislation that transactions which have already been subjected to taxation should be placed on the same fiscal footing as those which have not been excised in a similar manner, and it is not in this spirit that the ordinance was framed by the Supervisors of San Francisco. It has been admitted in the construction of the language of the law, that the word business does not mean business outside of the State, and it is now contended that, if the construction is limited at all, it does not cover more than the local business. There is no principle to justify the term "business" being applied beyond the limits of San Francisco, which would not equally apply to all business done by the agencies in any part of the world.

A Little Bit of Blowing on Our Own Account.

With this concluding month of the year 1877, concludes also Volume XII of THE COAST REVIEW, and in the language of the pulpit, we "improve the occasion" to thank our friends for their appreciative support and to tender them the compliments of the festive season which will soon be here. THE COAST REVIEW has now been in existence six years and three months, having been commenced in September, 1871. It is the only insurance journal that has been established on this coast. Although we have no reason to complain of its position in regard to the number and character of its readers, we are endeavoring to diffuse its advantages beyond the circle of its present subscribers, and indications are not wanting that it will soon be as indispensable to the commercial and financial as it now is to the insurance interests of the community. It is surely of importance that all property-owners should be enabled to form an intelligent judgment as to the standing of the insurance companies that are competing for their custom, and that they should be instructed on the special and legal technicali-

ties that may affect this part of their business practice. All this information and instruction THE REVIEW professes an ability to impart—a species of knowledge not less valuable than that which is sought from experts, and liberally paid for, when the question is the title to real estate, or the solvency of customers. Insurance has been voted by the public to be a dry subject, but there is no subject that cannot be made interesting when manipulated by the hands of intelligent observation. That we have succeeded in impressing on our pages the stamp of intelligence, it is not for us to say, but that our efforts to do so have been liberally appreciated is evinced by the steady success that has attended our journalistic career. Although our paper will be, as heretofore, devoted principally to the subjects proper to insurance, it will not be wanting in the discussion of financial and other topics that bear collaterally upon it. Volume 13 will commence with the first number in 1878, and we hope its issue will be inaugurated by a goodly list of new subscribers.

Farnsworth & Clark vs. Deming, Palmer & Co.

This was a suit brought last month in the Justice's Court, to recover \$150, money said to have been paid by the plaintiffs to insurance companies of which they were the agents, for premiums on two policies issued on the 21st May, 1875, to Deming, Palmer & Co., through H. H. Bigelow, the broker of the latter. There is no dispute about the fact that the defendants paid their premiums to their broker, Bigelow, and that he failed to pay them over to the plaintiffs. It was alleged in substance that the plaintiffs in due course applied to the defendants for payment, and that being referred by them to their broker, H. H. Bigelow, who had been entrusted with the money for the purpose of paying the premiums demanded, application for such payment was made continuously and alternately, both on him and his principals, without, however, releasing the latter from their primary liability. In March, 1877, while the matter of this suspended payment was still in abeyance, Deming,

Palmer & Co. presented a claim for a fire loss on another policy which had also been issued to them by the agency of Farnsworth & Clark. The claim was admitted, and it was proposed by these plaintiffs to deduct from the amount of the loss the \$150 due to them on the two policies. To this, however, the defendants demurred, and on receiving their money in full, promised to "see" that their broker, Bigelow, should disgorge the sum in question. On this promise the plaintiffs, as it is alleged, finally settled that sum with the companies to which it was due, and this arrangement, it was argued, constituted a liability from the defendants to Farnsworth & Clark as principals. The defendants pleaded the statute of limitations, contending that their liability, if any, commenced to run from the 21st May, 1875, the date on which the policy was issued through their broker, Bigelow. Justice Pennie sustained this plea, and gave judgment for the defendants. The case has been appealed to the County Court.

MORAL.

In order to avoid litigation, policy-holders should either pay their premiums directly to the insuring companies or through such brokers as are known to be trustworthy. Under recent rulings, the broker who procures insurance is the agent, not of the company, but of the insured, who is liable to pay again such of his premiums as the broker may have misapplied. The companies, also, should look to the matter, and protect their customers by refusing to deal with brokers of doubtful character.

—The Mutual Life, of New York, refused to pay the amount of a death-claim, on the ground that the insurer falsely represented himself as a single man. The case has been tried three times in the lower courts, and each time has been decided against the company. In the last trial the theory was propounded and supported by probabilities that the agent, in filling up the application, wrote by mistake the word "single," instead of "married." The two first verdicts were set aside by the Supreme Court of the United States.

Marine News of the Month.

The steamer "Constitution," which, it will be remembered, took fire Oct. 6, outside the heads, on the voyage hence from Victoria, and was towed into the harbor and scuttled and sunk on the mud flats off Long Bridge, was pumped out and raised Oct. 14.

The portion of her cargo consisting of grain and hops was found to be nearly or wholly destroyed by immersion in salt water, the bales of hops being sold for 10 cents each. The salmon was found to be practically uninjured, requiring only relacquering, labeling and packing.

The loss has been adjusted in general average, by C. V. S. Gibbs, and found to be about 24 per cent.

The steamer was the property of the Pacific Mail steamship Co., who had no insurance upon vessel or freight. Much of the cargo was also uninsured.

There was about \$60,000 in treasure on board, which was insured in England. San Francisco underwriters were interested in cargo only to the amount of \$15,000 to \$20,000.

The damage to the "Constitution" is estimated at only about \$30,000, but it is understood to be the company's intention to sell her to break up, as her machinery is of the old style, and too expensive in the consumption of coal to compete with the modern improvements in steamship machinery.

It seems that the fatality which has attended Arctic whalers for the past four years is to continue during the present season.

The bark "Dawn," which lately arrived from the Arctic, brings news that the barks "Three Brothers" and "W. A. Farnsworth" became total losses in the Arctic, on Sept. 11th and 16th respectively. The bark "Java" was also stove in the ice, June 7th, and became a total loss; and the bark "Cleone" is now reported totally lost in the Arctic, Oct. 19. All the crews were saved and distributed about among the other whalers. All these vessels are understood to be nearly, if not quite, fully insured in Eastern offices. Several other vessels are

reported damaged to a greater or less extent, by contact with ice or grounding, but no other total losses have been thus far reported.

No tidings have yet been heard from the vessels abandoned last year, nor from the crews who remained with them, except two Kanakas, who are reported to have got ashore from the "Acors Barnes," and were cared for by the natives.

Schooner "Johanne," par.ed two haw-sers in a heavy gale, Oct. 26, 1877, at Lit-tle River; went ashore and became a total loss. Crew saved, except Charles Wilson, second mate, who was drowned. Insured:

State Investment.....	\$3,437
Swiss Lloyds.....	1,440

Schooner "Martha & Elizabeth," went ashore at Novarra River, about Nov. 5, 1877, and became a total loss. An old ves-sel, employed for many years on the coast, valued at about \$5,000, and insured:

State Investment.....	\$800
Swiss Lloyds.....	1,000
Commercial, S. F.....	800

Schooner "Solano" (scow), went ashore at Rough and Ready, at 8 P. M., Nov. 16, and became a total loss:

Swiss Lloyds.....	\$2,000
Commercial.....	1,000

Schooner "Eden," from Rough and Ready, with a cargo of lumber, capsized and was abandoned off Point Reyes, Nov. 28. Crew saved. Insured:

State Investment, S. F.....	\$1,500
Swiss Lloyds.....	1,000

Schooner "Selma," went ashore on Point Reyes, night of Oct. 9, during a dense fog, and became a total loss. An old vessel, and not of much value. Insured for about \$5,000, in Swiss Lloyds and State Invest-ment.

British bark "Swordfish" (iron), from San Francisco, Oct. 20, in ballast for Bur-rard's Inlet, to load timber, went ashore on Bedford Rock (one of Race Rocks), Nov. 6, 1877, in entering the Straits of Fuca, and became a total loss. Crew saved. She was a fine vessel, built in Liverpool in 1864, and is reported insured in England.

Schooner "Albert & Edward" dragged the moorings and anchor, and went ashore

on the rocks at Salmon Creek, November 23, and became a total loss. Valued at about \$9,000. Insured:

New Zealand.....	\$2,250
Commercial, S. F.....	2,250
Swiss Lloyds.....	2,250

Schooner "Mary Cleveland" went ashore at Noyes River, November 16, and became a total loss; an old vessel of not much value. Insured:

State Investment, S. F.....	\$2,000
Commercial, S. F.....	1,500
Swiss Lloyds.....	1,500

Steamer "Boquet," in leaving Drake's Bay, November 6, ran on a reef and cap-sized; crew saved. The wreck was subse-quently picked up and towed into port for repairs. She was a little steamer, owned by C. J. Jansen, and engaged in coast whaling.

Swiss Lloyds.....	\$800
State Investment.....	200

Steamer "San Vincente" went ashore at Smith's River, about November 10; is expected to be gotten off.

Ship "Golden Fleece," from New York for San Francisco, grounded on English Bank at the entrance to La Platte River; got off badly damaged and put into Monte-video, November 19, where she will dis-charge her cargo and repair. Her cargo is reported badly damaged by water. She is loaded with a general cargo, and consigned to Messrs. Geo. Howes & Co., of this port. The insurances on the cargo in this city are as follows:

California, S. F.....	\$1,500
New Zealand.....	2,375
State Investment, S. F.....	2,000
Swiss Lloyds.....	10,300
Fireman's Fund, S. F.....	3,465
Commercial, S. F.....	3,500
Union, S. F.....	.....

Fires.

Nov. 6, at 9 P. M., a fire broke out in a millinery store at Cuffey's Cove, Mendocino County, and destroyed the principal part of the place. The estimated loss is about \$30,-000, on which the insurances have been settled as follows, excepting the amount on the stock of Miss Thurston, who owned the

millinery store where the fire originated. The circumstances surrounding this part of the insurance warrant the companies interested in refusing to pay any portion of the loss :

Amazon.....	\$979
New Zealand	1,954
Manufacturers', N. J.....	1,469
Security, New Haven.....	1,469
Royal Canadian.....	2,449
California Farmers.....	500
State Investment.....	2,000
Commercial Union.....	4,600
Hamburg-Bremen.....	1,600
Berlin-Cologne.....	1,600
Faneuil Hall.....	157
Citizens', St. Louis.....	157

* \$1,000 reinsured.

Nov. 29—the large frame building known as the Ordish Block, at Watsonville, was destroyed by fire. It seems that the fire commenced at the top of the building and burned gradually downward. The building cost \$10,000, and it was insured by the Imperia. and Queen, under Jones' administration, in the name of, and loss, if any, payable to the mortgagee, a custom not adopted or practiced by any other office in this city, and certainly a dangerous practice for any company :

Imperia and Queen.....\$4,000

Nov. 25—The residence of A. S. Roney, near Napa :

New Zealand.....\$1,442

Nov. 21—At Cuffey's Cove, a Chinese stock :

Transatlantic.....\$2,000

Nov. 20—Dwelling in Amador County.

Fireman's Fund.....\$400

Nov. 15—Derry building, near Petaluma.

California Farmers'.....\$500

Nov. 20—Damage to the building 1115 Market Street, city.

Fireman's Fund.....\$1,170

Hoffman, N. Y.....819

Nov. 30—Armory Hall in Oakland.

Ætna, Hartford (contents).....\$2,200

Commercial, S. F. (building).....2,000

Fire Association, Philadelphia (building)....2,000

Nov. 10—M. Cronin's residence and furniture at Redwood, California.

Phoenix, Hartford.....\$700

Nov. 20—Hop warehouse, 11 miles from Sacramento, belonging to A. Menke. Total loss.

Hartford.....	\$2,000
Rhode Island Assn.....	2,000
American, Philadelphia.....	2,000

Nov. 20—A fire destroyed about \$40,000 worth of property at Dallas, Oregon, on which the insurance was only \$5,000.

Hartford.....	\$2,500
Fireman's Fund.....	2,500

Nov. 31—At San Diego, about \$5,000 worth of property.

Home Mutual.....	\$1,000
State Investment.....	300

Nov. 15—Dwelling and furniture at Philometh, Oregon, belonging to N. Stetson.

Phoenix, Hartford.....\$1,200

Nov. 23—Two dwellings in Oakland.

Home, N. Y.....	\$650
Royal Canadian.....	842

—On the 29th of November, a fire broke out in the dry goods store of Rothfeld Bros., Sacramento, and by the time the department arrived the store was completely filled with smoke. The blaze worked its way upward, and the smoke and water damage to the stock will leave little salvage to the underwriters interested. Messrs. Bromwell, Roff and Bailey, are adjusting the loss. Insurance on

STOCK.

California, S. F.....	\$5,000
New Zealand.....	5,000
Union, S. F.....	3,000
Home, N. Y.....	3,000
Royal Canadian.....	2,000
State Investment, S. F.....	2,000

FIXTURES.

Home, N. Y.....	\$1,000
Royal Canadian.....	1,000

The building was insured in the Insurance Co. of North America.....\$4,000 and the damage has been settled for \$850.

Nov. 3—Chinese tobacco and cigars, on Clay St., city.

Scottish Commercial (damage to building)...\$ 80
North British & Mercantile (on stock).....2,250

Nov. 11—At 2208 Powell St., city, dwelling and furniture.

State Investment, S. F.....\$650

Dwelling near Los Angeles, last month.

North B. & M.....\$221

Nov. 5—Furniture in dwelling at Sacramento.

American, Philadelphia.....\$375

Nov. 14—Dwelling at Tulare City.

Commercial Union.....\$1,450

Nov. 6—At San Jose, barn and contents.

Liverpool & London & Globe.....\$950

Nov. 6—Hay barn, near Los Angeles.

Imperial Q. & N.....\$1,835

CHIPS.

—The notorious Ben Noyes, refusing to appear before Commissioner Stedman, of Connecticut, was placed in custody of the Sheriff. A writ of *habeas corpus* has been sued out in his behalf.

—Brother English will please accept our thanks for a bound volume of the *Insurance Times*. It is an admirable specimen of the binder's and the printer's art. To those who are familiar with that well-edited journal we need not say that the volume is in every respect a valuable addition to the insurance library.

—Henry W. Bigelow, insured by two policies in the Berkshire Life, destroyed his own life by a pistol shot. In a suit by the administrator to recover from the company, the Circuit Court for the Northern District of Illinois gave judgment for the plaintiffs. This has been set aside by decision of the Supreme Court of the United States. Each policy contains a clause avoiding it in the event of the insured dying by suicide, whether sane or insane.

—Spencer Martin, Esq., of the firm of Martin & Holmes, real estate and insurance agents, Oakland, dropped dead on California Street on the afternoon of the 13th of November, 1877. Mr. Holmes was a gentleman who arrived in California about a year ago, and has been connected more or less with the insurance business since his arrival. The last work performed by Mr. M. previous to his connection with Mr. Holmes in the Oakland agency, which was only a few days previous to his death, was special business for Mr. Forbes, general agent of the Continental Fire Ins. Co.

—New York is in trouble about its water supply.

—The probabilities are against the success of the Charter Oak and Universal Life in their efforts to scale the policies.

—Universal policy-holders, representing about \$8,000,000 out of \$18,000,000, have consented to the proposed scaling of policies.

—The total number of fires in Philadelphia for 1876 was 775. Insurance on property burned, \$6,803,018.96; total loss, \$1,033,807.08.

—C. M. Nichols, Esq., surveyor of the San Francisco Board of Underwriters, visited Los Angeles last month in the interest of the Board.

—W. F. Hitchcock, insurance broker, of Oakland, has been fined \$20 for issuing a policy without having paid the license tax demanded by the ordinance of that city.

—David Hart Blair has at length been admitted into the joys of paternity—a son and heir having been born to him on the 22d of last month. Friend Blair has the air of being the happiest man that the sun shines upon.

—The first book published in America relating to insurance, was printed by Franklin. It was also the first book printed by him. One copy of the book is in the Loganian Library, in Philadelphia, and another in the British Museum.

—We deeply regret to learn of the misfortune that has befallen our esteemed friend, J. Munsell, Jr., in the death of his only child, a son two years old. All who know that gentleman will join us in heartfelt sympathy for the loss that he has sustained.

—W. F. Coolbaugh, the Chicago banker, who lately suicided, had policies on his life to the amount of \$175,000. The companies are the Equitable, Mutual Life, and North Western.

—Mr. J. T. Calling, for many years secretary of the Western Insurance Company of Cincinnati, Ohio, is said to be a defaulter to the amount of \$14,000. The company is reported to be secured against loss.

—A Cincinnati court has, decided that a corporation can be sued for libel. This is in the case of the Union Central Life vs. The Mutual Benefit and Robert Simpson.

—The underwriters of San Francisco contributed \$2,500 to the funds of the Relief Committee that was organized for the purpose of aiding the indigent and the unemployed.

—A Mrs. Miller, holding a policy on the life of her husband, deceased, sued the receiver of the Security for a preferential payment. The Court of Appeals at Albany, while not confirming the decision of the lower court against her, has dismissed the appeal for the present.

—In a notice of the New England Mutual Life Ins. Co., which appeared in our last issue, the printer made us say \$1,500,000 assets, with over \$2,600,000 surplus. The last, or surplus, item is correct, but it should have read \$15,000,000 assets, and not \$1,500,000.

—Mr. E. W. Corbert has been appointed special agent and adjuster to the State Investment Insurance Company, vice William Doolan, resigned. Mr. Corbert has never had any experience in the insurance business, but we presume that he, like some others, was born an adjuster. It has been said that adjusters were "not born, but made," yet this may be one of the exceptions to that general rule.

—In the case of the Imperial Fire Insurance Company of London vs. Fargo, president of the American Merchants' Union Express Company, error to the Circuit Court of the Southern District of New York, the Supreme Court of the United States has directed a verdict for the insurance company. The goods for which the express company claimed were destroyed by fire, occasioned in some way by the falling of a tank of petroleum which was on a freight train that came in collision with the train on which those goods were being transported. The policy contained a clause that no loss should be paid arising from petroleum or other explosive oils.

—The Globe Mutual Insurance Co. of New York seeks to recover \$100,000 damages from the Sun Mutual Life of Montreal for alleged false statements affecting the former. These are rival companies, and the developments are looked for with much interest.

—Scene from "Macbeth"—

Irate Depositor : Where is Duncan's body?

Baffled Detective : Who the devil knows?

Gone, perhaps, to Peruvian shores,

To be invited thence, like Meiggs, of forging fame,
By an admiring California Senate.

—Mr. David Beveridge, of Chicago, will please receive our thanks and compliments for a neatly-bound pamphlet containing his able paper, entitled "The Current Form of Policy and Judicial Decisions thereon," which was prepared for the Underwriters' Association of the Northwest, on the occasion of their recent meeting.

—Among the interesting events of last month are the following marriages—C. T. Hopkins, president of the California Insurance Co., to Mrs. Taylor, of Alameda Co.; and J. A. Brumsey, Nevada agent of the Home Mutual, to Miss Marion Lincoln, of Virginia City. Friend Brumsey is now in San Francisco on the nuptial tour, and is looking as well as can be expected.

—S. B. Rikken, of San Buenaventura, has been appointed General Agent of the New Zealand Insurance Company for Oregon and Washington Territory. The company has made the deposit required by the law of Oregon, and will commence operations there immediately. Mr. Ferry, the Special Agent, will accompany Mr. Rikken to assist in establishing the agency.

—The officers of the New York life insurance companies now under indictment are as follows :

Thomas S. Lambert,	Americ. Popular...	President.
Alexander J. Reed,	"	"
James Cruikshank,	"	Secretary.
R. L. Case, Jr.,	Security.....	Actuary.
Isaac H. Allen,	"	Secretary.
Theodore R. Witmore,	"	Vice-President.
Luther W. Frost,	Continental.....	President.
J. P. Rodgers,	"	Secretary.

Robert Case, late president of the Security, has already been convicted.

—F. A. Weck, of Eureka, California, and Ed. Hall, of Portland, Oregon, paid their respects to THE REVIEW last month.

—THE REVIEW was honored with a call last week from the Hon. O. T. Welch, Superintendent of the Insurance Department of Kansas.

—The Brooklyn (N. Y.) policy-holders in the Charter Oak, at a recent meeting, were in favor of placing that company in receivership.

—The chief of the San Jose Fire Department reports 37 alarms the past fiscal year, of which 27 were false or unknown. The total loss in that beautiful city was \$98,205, on which there was an insurance of \$68,530.

—P. Outcalt, for several years connected with the fire insurance interests in this city, has accepted the position of special and adjuster for Messrs. Callingham & Co., agents Royal Canadian and South British Ins. Cos., vice H. Roff, resigned.

—The *Chronicle's* recapitulation of fire losses in the United States and Canada for October last is as follows :

October.	1877.	1876.
Aggregate losses.....	\$5,455,700	\$5,882,500
" " to insurance		
companies.....	3,061,600	3,036,300
" " by specials....	3,669,700	3,510,600
" " to insurance		
companies by specials...	2,173,600	1,840,300
Number of fires.....	902	940
Number of specials burned...	507	438

—Inverary Castle, in Scotland, one of the residences of the Duke of Argyle, and celebrated in Scottish history and romance, has been destroyed by fire. The loss above insurance has been very large, including priceless treasures of art, and many heirlooms rich with family and historic associations.

—Daniel Murphy, the Rhode Island agent or the Phoenix Mutual Life Insurance Co., has been arrested for forging the secretary's name to bogus receipts. His plunder amounts to \$3,400. There is little sympathy to spare for the unfortunate Murphy, the article being extensively in demand for the perjurers and embezzlers of the Security Life Insurance Company.

—*Yeager's Insurance Herald*, lately of Chicago, is now published in Cincinnati.

—Wood of the eucalyptus tree is said to be fire-proof; in Australia it is extensively used for building purposes.

—The local agents of the Lancashire and Scottish Commercial Insurance Companies offer to lend a quarter million of dollars or more, on real estate, to re-build St. Johns.

—Julius Hirschfeld, of the firm of Tideman, Hirschfeld & Co., general agents in this city for the Berlin-Cologne Ins. Co., died in London on the 30th of November.

—The president and directors of a London company have been sentenced to imprisonment for receiving crooked commissions. A real-estate agent who was in collusion with them has received the same sentence.

—The superintendents of the insurance departments of Kansas and Missouri have just completed a thorough investigation of the affairs of the Pacific Mutual Life Insurance Co., of Sacramento. The result of this examination is looked for with interest by the citizens of this coast and elsewhere, who are policy-holders in the company. The next number of THE REVIEW will contain such facts concerning the investigation as will be of interest to its readers.

—Mrs. Dutcher had a ten-year endowment policy in the Brooklyn Life for \$10,000. After paying the premium for four years, part in cash and part in note, she demanded a paid-up policy for \$4,000, according to the conditions of her contract, which provided that in the event of the policy lapsing before maturity, a paid-up policy should issue for an amount in proportion to the premiums paid. The company held that this proportion related only to the premiums received in cash. The Circuit Court for the Eastern District of Missouri decided otherwise, and this decision has been confirmed by the Supreme Court of the United States. We suppose, however, that if the notes are not redeemed by the profits on the insurance, they, together with the interest, will constitute a lien on the policy to be deducted at its maturity.

—A special committee has been appointed by the Board of Underwriters to assist the Fire and Water Committee of that Board and the Fire Marshal in investigating the cause of the recent fire at the North Point Dock Warehouse. No report has yet been made, but we hope to be able to publish it in our next number and to give the list of losses paid by the insurance companies.

—The Superintendent of the New York Insurance Department requires life insurance companies doing business in that State to furnish him with the names and addresses of all their policy-holders, with amount of insurance, etc. The Mutual Life says that this work would cost that company the labor of ten extra clerks for three months.

—The Life Association of America has been examined by the Insurance Department of Missouri and found solvent. On a basis of $6\frac{1}{2}$ per cent. there is a surplus of \$426,197.23. This examination was endorsed by a committee appointed by the policy-holders. The new law of Missouri, which will take effect on the 24th instant, requires a reserve on the basis of $4\frac{1}{2}$ per cent.

—The Amazon Insurance Company of Cincinnati was lately examined by the Insurance Departments of Ohio, Missouri and Maryland. Its condition was found satisfactory in every respect. The Department of Kentucky wanted to re-examine it, but the company has very properly resisted this attempt at extortion. This system of preying upon insurance companies should be put down, and the Amazon is much to be commended for its courageous resistance.

—The suit against the State Investment for the amount of a loss by the great Virginia fire, which was alleged to have been covered by that company, has been withdrawn, the claim having been compromised for fifty cents on the dollar. The amount claimed against the State Investment was \$7,500, and not \$5,000, as was mentioned in the full report of the suit in our last number. No settlement has been made by the other companies which were said to have covered concurrently the same risk.

—A coal-heaver in Boston, having been advised not to put his faith in savings banks, deposited his earnings (\$87) in a wood pile. They were destroyed by rats—salvage of fragments only \$5.

—Harry Roth, special and adjuster to the Royal Canadian and the South British Ins. Cos. on this coast, has severed his connection with that office, and accepted a similar position with the New Zealand Ins. Co.

—The St. Louis Court of Appeals has held that, where a co-partner sells out his interest in insured property to a person not in the co-partnership, it is such a change in title and possession as to void the policy. That a mortgage was taken for the purchase money does not affect the question. In the case—Card vs. Phoenix Ins. Co.—from which this ruling is taken, the agent expressed an opinion, after the loss, that the company would pay it, but the Court refused to consider this a legal promise, it having been made without consideration.

—In October, 1864, the City of Glasgow, Ky., was attacked by the Confederates. The Federal officer in command fired the City Hall, in which the military stores were placed, in order to prevent them falling into the hands of the enemy. The fire spread and destroyed the store of one Bostwick, who was insured in the *Ætna*, which pleaded the invasion and insurrection clause. The Circuit Court of the District of Connecticut held that the act of the Federal commander came within the exception. The Supreme Court of the United States has reversed this decision.

—Cleopatra's Needle is likely to be a source of trouble to the marine courts. It will be remembered that the caisson that contained that antique memorial was abandoned in a storm by the steamer *Olya*, which had it in tow, and was rescued by the steamer *Fitzmaurice*. Now comes the question of salvage, not only against the contractor who undertook to deliver the Needle in England, but against its owners, the English Government. The former resists the claim, but offers to compromise. No claim has yet been made against the owners. The obelisk

being unique, and valuable principally for its antiquity and historic associations, there will be some difficulty in equating it by a money value. Doubtless there are some precedents in the books, in regard to pictures, statuary, etc.

—Martin Ryan, actuary of the late Protection Life of Chicago, has been indicted for a criminal offense.

—Milton S. Latham has brought suit in the New York courts against the Universal Life Insurance Company to recover \$10,000, amount of a matured endowment policy.

—Wolf *vs.* The Mutual Benefit Life Insurance Co., is another case of insanity-suicide decided against it. Judgment for \$7,438.33. The case was tried in the U. S. District Court in Cincinnati.

—The Life Association of America is to be examined again by the Insurance Department of Missouri. The recent examination cost the company \$13,000. This second examination, if at the charge of the company, is an outrage.

—The Widows' and Orphans' Life Insurance Company, of Nashville, Tenn., has reinsured its risks in the Globe Mutual of New York. The standing of the latter company was on the 1st of January last, by official report, as follows: Capital stock, \$100,000; assets, \$4,398,652; liabilities, \$3,979,624; surplus as regards policy-holders, \$419,028.

—The Supreme Court of the United States sometimes decides that life insurance companies have rights which the law is bound to respect. Garber, of St. Louis, had a policy in the Globe, which prohibited residence or travel South of a certain latitude. Garber died of yellow fever in New Orleans, which was within the proscribed limit, but the Circuit Court of St. Louis gave judgment for the amount of the policy against the company. This has been reversed by the U. S. Supreme Court, which held that "a policy-holder must observe the conditions of his policy. It 'needs no ghost' to come from the infernal or other regions for the purpose of telling us that.

—The Missouri Valley Life Ins. Co. has made good its \$32,000 impairment of capital —The loss by the fire which destroyed R. L. Candee & Co's Rubber Works at New Haven, Conn., on the 17th ult., is said to be from \$600,000 to \$750,000. The insurance is as follows:

Liverpool & London & Globe.....	\$15,000
Queen.....	10,000
Imperial.....	10,000
Northern.....	10,000
Hamburg-Bremen.....	5,000
Franklin, Philadelphia.....	5,000
Merchants', Newark.....	5,000
Underwriters' Association, N. Y.....	5,000
Commercial, N. Y.....	5,000
Shoe and Leather, Boston.....	5,000
People's, Trenton.....	5,000
New Hampshire, Manchester.....	5,000
Roger Williams, Providence.....	3,750
Security, New Haven.....	2,500
Westchester.....	2,500
Alliance.....	2,500
Merchants', Providence.....	2,500
Home, Newark.....	2,500
Rochester.....	2,500
German.....	2,500
Standard, Tronton.....	2,500
American Central.....	2,500
St. Nicholas.....	2,500
American, Philadelphia.....	2,500
People's, Middletown.....	2,500
St. Louis.....	2,500
New York City.....	2,500
Phoenix, Brooklyn.....	2,500
Hartford.....	2,500
German-American.....	2,500
First National, Worcester.....	2,500
Meriden.....	2,500
Trader's, Chicago.....	2,500
American Exchange.....	2,500
People's, Trenton.....	2,500
Citizen's, St. Louis.....	2,500
Springfield Fire and Marine.....	2,500
Fame.....	2,500
Neptune.....	2,500
Elliot.....	2,500
St. Paul's.....	2,500
Capital City.....	2,500
Columbia.....	2,500
National, Baltimore.....	2,500
New York Central.....	2,500
Arctic.....	2,500
National, New York.....	2,500
Lenox.....	2,500
Philadelphia, Phil.....	2,500
Firemen's Fund.....	2,500
Atlas, Hartford.....	2,500
Fire Association, Phil.....	2,500
Scottish Commercial.....	2,500
Prescott.....	2,500
Total.....	\$325,000









